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# MASS AND GLASS

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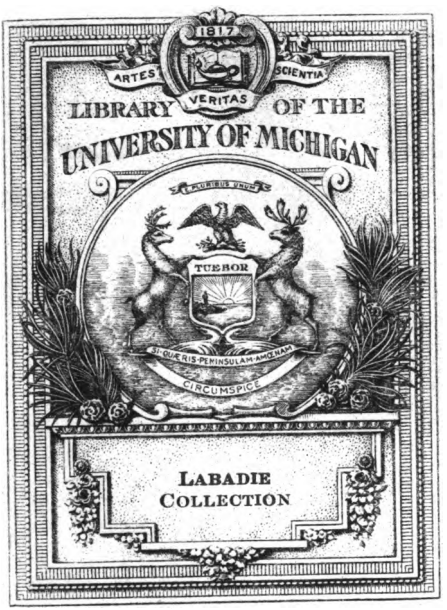


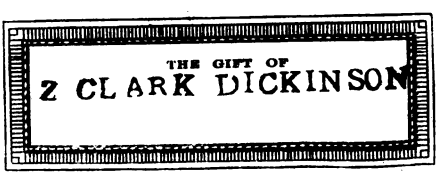


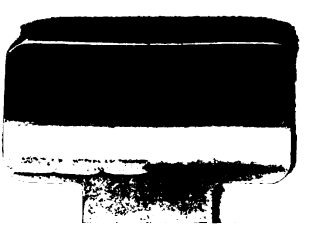

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# MASS AND CLASS

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*BY THE SAME AUTHOR*

**OUR BENEVOLENT FEUDALISM**

1902. Pp. 202. Cloth, $1.25

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# MASS AND CLASS

## A SURVEY OF SOCIAL DIVISIONS

BY
W. J. GHENT

*Read not to contradict and confute, nor to believe and take for granted, nor to find talk and discourse, but to weigh and consider.*

FRANCIS BACON: *Of Studies* (1625).

New York
THE MACMILLAN COMPANY
LONDON: MACMILLAN & CO., LTD.
1904

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# PREFACE

MR. MALLOCK has already preëmpted the title of *Classes and Masses*,[1] and the captious may thus be led to look upon the present title as something in the nature of an infringement. Such titular resemblances, however, are not unusual, particularly in the realm of controversy. There are, among instances that will occur to readers, George Sand's *She and He*, with Paul de Musset's counterblast, *He and She*, and Proudhon's *The Philosophy of Misery*, with Marx's *The Misery of Philosophy*. The similarity in the present case may perhaps be unfortunate, but it was not to be avoided. The title here used was not suggested by that of the earlier work, but was chosen because it seemed essential to the subject-matter of the volume. But even had a nearer approach to the earlier title been made, the act would hardly have been reprehensible. For it is among the possibilities that a literary court of equity, should such a body ever be convened, might

[1] W. H. Mallock, *Classes and Masses* (London, 1896).



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readily void Mr. Mallock's exclusive right to his title on the plea of non-user. He fails to deal adequately with either classes or masses; what he calls classes are not classes, either economic or social, but mere aggregates of beings arbitrarily set apart by the author on the test of relative income; while his argument and illustration are confined solely to an attempt to prove the interesting assumption that out of the modern increase of wealth in Great Britain the "working classes" have received an altogether disproportionate share.

In my previous work I sought, by a satirical interpretation of the facts and tendencies of the time, to depict the not impossible return of a régime of lord, agent, and underling. I have no excuses or apologies to offer for that work. As a warning alike to the apathetic and to the oversanguine, it served, I hope, a useful purpose. But the data which it employed were not, as my critics hastened to point out, the only data pertinent to the matter, nor was the régime predicted the sole and inevitable outcome. It is of the "possible alternative outcome," mentioned in the preface to the third edition of that work, that I have now to speak, —"the assertion of the democratic spirit and will, the conquest of the baronial régime, and



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the transformation of the industrial system" into one more in accord with the needs of the people. In my present work I have sought to analyze the social mass into its component classes; to describe these classes, not as they may be imagined in some projected benevolent feudalism, but as they are to be found here and now in the industrial life of the nation; and to indicate the current of social progress which, in spite of the blindness of the workers, the rapacity of the masters, and the subservience of the retainers, makes ever for an ultimate of social justice.

W. J. GHENT.

NEW YORK CITY,
September 1, 1904.



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# MASS AND CLASS

## CHAPTER I

### The Lesson from History

History, which once was the record of little more than the doings and sayings of warriors and kings, comes now to be the record of human society. It still includes, to some extent, the sayings and doings of the great, but more and more it deals with the play of forces among the masses of men. From emphasis of the individual it passed to emphasis of the state, while now it tends to lay the greater stress upon the social body. "The newer spirit in history," writes Professor Seligman,

> "emphasizes not so much the constitutional as the institutional side in development, and understands by institutions not merely the political institutions, but the wider social institutions of which the political form is only one manifestation. The emphasis is now put upon social growth."[1]

[1] E. R. A. Seligman, *The Economic Interpretation of History*, p. 164.



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Or, as another recent writer, viewing the subject from a pedagogical standpoint, says: —

"The teacher of history, like the politician and historian, has been brought to a change of base. The world is no longer chiefly concerned in the acts and privileges of rulers and kings, but in the mammoth social needs of the people." [1]

The newer spirit has but gradually won its way. Even yet reactions are frequent, for the reverent mass, transmuting the virtue of admiration into the vice of apotheosis, holds to its heroes and "great men" as it did to its fetiches in the days

"When all our fathers worshipp'd stocks and stones."

And there will ever be found writers of history to satisfy this economic demand. But the partial break with the past which was shown in the work of George Grote [2] became a practically complete severance in the work of John Richard Green; and later historians have for the most part, like Green, laid stress upon social rather than individual factors. Here in America the newer history finds its best expression in the work of Professor John Bach

[1] Charles A. McMurry, *Special Method in History*, p. 3.

[2] See Leslie Stephen, *The Utilitarians*, Vol. III, p. 342 and following.



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McMaster, which, though marred by class spirit and an occasional taint of intolerance, is yet notable for the thoroughness with which it portrays social conditions.

In this modern view, causes and effects change places. What once were regarded as the prompters and movers of national or racial action come now to be regarded as mere manifestations of great social forces. A king's vow, a warrior's ambition, no longer suffice to explain the origin of a mighty war, even of ancient times. We now look behind and beyond the apparent agent for the real source of collective action. Let one say, for a modern instance, that it was the arrogance of Louis Napoleon which plunged France into a suicidal war with Prussia. The statement may be true, and yet be but a small part of the whole truth. Behind this apparent cause were the forces which made such a war well-nigh inevitable. The fatuity of the French people, which put the lesser Napoleon on the throne and supported him there; the illusions growing out of the Bonapartist tradition by which the entire nation was exalted; the tone of overlordship assumed by French diplomats in the councils of Europe; the increasing ambition of the French traders, —all these were factors. The sturdy growth



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of the German people; the widespread sentiment among them for imperial unity, and the long-smouldering hope of inflicting on Paris the humiliation which Berlin had suffered in 1806, — these, too, were factors, converging with the others to a climax of war. Louis Napoleon was but one of their agents.

## I

Now since social forces and their manifestations, instead of the actions of great men, come to be regarded as the main subject-matter of history, it is necessary to determine if there be not one force which precedes and which occasions, or greatly influences, all other forces. According to the sociologist, Gustav Ratzenhofer, all human action springs from *interest* — that interest, in the words of Professor Ward, "which is in the nature of a force, . . . the social homologue of the universal *nisus* of nature, the primordial cosmic force which produces all change."[1] There are, of course, various kinds of interest, material as well as transcendental. "If, therefore," continues Professor Ward, "we take into account all those different kinds of interest, physical, racial,

[1] Lester F. Ward, *Pure Sociology*, p. 21.



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moral, social, and transcendental, it becomes clear that *all action is based on supposed gain* of one or another of these orders."[1]

But it is not enough to realize the universal impulsion of interests. We must know if there be not a specific and primal interest, a fundamental force, which prompts or governs the greater range of human actions, and thereby occasions, or dominates, the greater number of beliefs. That there is such a mainspring of action most scholars are convinced. Some have found it in the force of religious or ethical ideals, some even in the force of political ideals. But that this mainspring is none other than a form of the physical interest — in brief, the economic force — becomes day by day the common judgment of an increasing number of students and scholars. "The world has never reached a stage," writes Professor Ward, "where the physical and temporary interests have not been in the ascendant." With the entire mass of human beings there lies, at the bottom of all thought and feeling, a sense of the prime necessity which Nature has put upon us — the necessity of securing a living. "The first place," writes the late Dr. Stuckenberg,

[1] Ward, p. 61.



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"belongs to the economic force because primitive and fundamental for all the others. Whether in isolation or in society, men must possess the means of a livelihood in order to exist and to perform the functions of life. In its most general sense, as the provider of the necessaries of life, it is as essential for the man nearest the brute as for the sage at the climax of civilization. Its basal character can be ignored only by ignorance or by a false spiritualism which itself depends on economics for existence. Every human being must either earn his bread or else eat the bread earned for him by some one else."[1]

The economic force is the main motive; but its conduct is determined or largely conditioned by the economic environment, the prevailing mode of producing and exchanging goods. This mode, though at particular times apparently fixed and stable, undergoes an evolutionary process, now gradual and scarcely perceptible, and now sudden and revolutionary. It is one thing under the tribal economy of savages, another under the household economy of the Greeks and Romans, still another under the feudal economy and the town economy of the middle ages, and a far different thing under the capitalist economy of to-day.[2]

[1] J. H. W. Stuckenberg, *Sociology*, Vol. I, pp. 208–209.

[2] The different modes of production in historic periods are admirably treated in Carl Bücher's *Industrial Evolution* (translated by S. Morley Wickett).



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For the human will, though circumscribed by outward forces and conditions, steadily reacts upon its surroundings, and in time alters its social environment just as it conquers and harnesses the forces of physical nature. "In this light," writes Professor Untermann,

"the whole history of mankind appears as the struggle of the human mind against two environments, one of them natural, the other social. At first, the natural environment presses on the human individuals with primeval force, and compels them through material necessities to form primitive family forms, little better than a herd of cattle. But while the rest of the animal world remains the slave of those primeval forces, the human mind sets about devising means to control those forces. And so the social organization from the very beginning becomes a powerful tool for this conquest of human environment, first used quite unconsciously, but ever more consciously, with the further improvement of the modes of production, till we have now reached a stage in our evolution where we are conscious of the rôle which human society is playing in this struggle for supremacy over the forces of nature."[1]

But whereas Nature offers an open book to her students and inquirers, who by discovering

[1] Ernest Untermann, article on "The Materialist Conception of History," in the *Appeal to Reason*, newspaper (Girard. Kan.), October 17, 1903.



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her laws may conquer and utilize her forces and thereby alter the physical environment of the race, the system of production, on the other hand, is an environment hardened in custom, law, and institution, and may not be altered except by the action of powerful and convergent social forces. A genius may invent some mechanism by which the technic of producing a single commodity or even many commodities is speedily revolutionized; but the general system by which the factors of production are employed and the products distributed may remain uninfluenced. The economic environment is for any time and place supreme in its control of the individual. All who are born under it — masters and servants alike — are its vassals, destined to employ, to be employed, and to be recompensed as its laws dictate, and to feel, think, and act as the conditions of their employment or activity compel them.

## II

The doctrine that the prevailing mode of production and exchange is the main determining factor in human affairs is known as "the economic interpretation of history." This doctrine was formulated by Karl Marx, who is



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coming to be recognized even by those who do not accept all of his social beliefs, as one of the really great geniuses of the nineteenth century. Marx chose an unfortunate name for the doctrine; he called it "the materialist conception of history"; and most of his militant followers continue so to speak of it. The name is unfortunate in that it seems to ally the doctrine with the philosophy of materialism, the doctrine "that matter is the only substance, and that matter and its motions constitute the universe." Marx's doctrine has, however, nothing to do with the claims of philosophic materialism as against those of monism or of theism. It is historic materialism as opposed to historic idealism, the latter being the interpretation of historic phenomena as the work of great minds and powerful individualities, and carrying with it an exaggerated hero-worship. Historic materialism is concerned with the play of causes and effects among social phenomena, but it does not touch the question of the primary cause of the cosmic process. Theists, monists, agnostics, and materialists may thus, in considering it, meet upon common ground.

The economic interpretation of history is the doctrine that the relations of men to one another in the matter of making a living are the



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main underlying causes of men's habits of thought and feeling, their notions of right, propriety, and legality, their institutions of society and government, their wars and revolutions. Under the stress of the economic motive men seek to satisfy their needs; and to do this, throughout the period of the institution of private property, they have had to compete with one another. In its last analysis the struggle is one of individual against individual. But since in all times the individual has recognized or sensed his own weakness in the struggle against other men and against nature, he has had to make common cause with his fellows of like needs and aims. The history of mankind is thus resolved into a series of group struggles, including, in the main, tribal and racial conflicts as well, growing out of the desire for economic advantage. With the development of industry from its primitive or barbaric forms, these groups evolved into economic classes, striving to obtain, or when obtained to hold, the prevailing form of capital and the political mastery which insured its retention. Petty groups, of varying interests, have persisted within the several classes, but the determining struggle throughout history has continued along class lines.



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Expressed in the words of Frederick Engels, the friend of Marx and his collaborator in *The Manifesto of the Communist Party* of 1848, the doctrine is:—

"That in every historical epoch, the prevailing mode of economic production and exchange, and the social organization necessarily following from it, form the basis upon which is built up, and from which alone can be explained, the political and intellectual history of that epoch; that consequently the whole history of mankind (since the dissolution of primitive tribal society, holding land in common ownership) has been a history of class struggles, contests between exploiting and exploited, ruling and oppressed classes."[1]

Since from the beginning of human life, in all but the garden spots of the earth, men have had to spend the greater part of their waking time and their energy in securing food, warmth, and clothing, it is almost a matter of course that the methods they have had to employ in this urgent pursuit have prompted, more than anything else, their habits of acting, feeling, and thinking on all subjects, have determined in great measure the form of their institutions, and arrayed mankind in conflicting divisions.

[1] Frederick Engels, Introduction to the English translation of *The Manifesto of the Communist Party* (1888). "This proposition," writes Engels in the Introduction, "which in my



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## III

It is not contended that men are always, or even generally, conscious of the economic motive that impels them. Far less is it to be contended that they are aware of the influence laid upon the exercise of that motive by the prevailing economic environment. The consciousness of their motives is often but dim and vague, and that motive which they believe dominant a mere illusion. When one reflects upon the undetermined centuries during which mankind was the dupe of myth and superstition, reading its aims in the light of the imagined promise of some tribal god, or the imagined frown of some tribal demon, he must realize how idle it would be to accept the usually declared motives for any given action. When barbarians, like the Jews of the Mosaic age, battled for the flocks and fields of their neighbors, they clothed their

opinion is destined to do for history what Darwin's theory has done for biology, we both of us had been gradually approaching for some years before 1845. . . . But when I again met Marx at Brussels in the spring of 1845, he had it already worked out, and put it before me in terms almost as clear as those in which I have stated it here." The doctrine reappears in all of Marx's subsequent works, particularly in his *Contributions to the Criticism of Political Economy* (1847) and the third volume of *Capital* (1894). See Seligman, pp. 40–49.



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purpose in the veil of a divine mission under a divine order. The more prosaic Romans partly realized the economic basis of the motives for their antagonism to Carthage; but throughout the middle ages, when the cloud of superstition again lay heavily upon men's minds, the motives to which the workers and warriors ascribed their deeds, and which the chroniclers attributed to them, were in most cases mere imaginings.

"The important fact is that history itself has put on these veils; that is to say, that the very actors and workers of the historic events — great masses of people, directing and ordering classes, masters of state, sects or parties . . . — if we make exception for an occasional moment of lucid interval, never had up to the end of the past century a consciousness of their own work, unless it be through some ideological envelope which prevented any sight of the real causes. Already at the distant epoch when barbarism was passing over into civilization . . . even then, at the epoch of all the first social revolutions, men ideally transformed their work, seeing in it the miraculous acts of gods and heroes." [1]

To this day men give themselves up to wounds and death in the struggle for foreign markets, under the belief that they are impelled by patriotism or religion. Ministers, under the

[1] Antonio Labriola, *Essays on the Materialistic Conception of History* (translated by Charles H. Kerr), p. 105.



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delusion that they are interpreting the ethics of Jesus, but actually prompted by the direct economic pressure of conformity to the views of their rich parishioners, preach a doctrine of sanction to predatory wealth, and urge acquiescence upon protesting labor. Teachers, economists, in their search for truth, too often find it only within the narrow limits which are prescribed by endowments; while judges, in their labor of interpreting the constitution, are not infrequently brought instead to an interpretation of the wish and will of the dominant economic class. Only as men emerge from the fogland of illusion do they become more clearly conscious of the real motives which impel them to any specific course of action.

## IV

Nor is it contended that the economic factor is the *sole* element in shaping history. Neither Marx nor Engels ever made such a claim. "According to the materialistic view of history," wrote the latter, —

"the factor which is, in last instance, decisive in history is the production and reproduction of actual life. More than this neither Marx nor I have ever asserted. But when any one distorts this so as to



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read that the economic factor is the sole element, he converts the statement into a meaningless, abstract, absurd phrase. *The economic condition is the basis*, but the various elements of the superstructure — the political forms of the class contests, and their results, the constitutions, the legal forms, and also all the reflexes of these actual contests in the brains of the participants, the political, legal, philosophical theories, the religious views — all these exert an influence on the development of the historical struggles, and in many instances determine their form."[1]

That idealistic or spiritual forces are a part of the causation in many of our acts and beliefs, that they are apparently the entire causation in other acts and beliefs, is not to be denied. Instances of heroic and unselfish actions — that is, of actions prompted by ideals — crowd thickly the pages of history in all periods, in peace as well as war. Nevertheless, there are two pertinent facts not to be lost to view. First, that all of our idealistic or spiritual conceptions (apart from conceptions of the supernatural) have their origin in past or present social needs, and these in turn have their base in economic needs; and, second, that everywhere and always the economic environment limits the range and effect of the spiritual forces. It

[1] Quoted by Seligman from *Der Sozialistische Akademiker*, October 1, 1895.



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is a commonplace of sociologists that marriage (using the term in its broadest sense) had its origin in the individualistic accumulation of property; and thus the most sacred sentiments which have gradually grown up about our ideas of chastity and love are the outcome of the desire of some remote savage to transmit his overplus of fishhooks and arrows to a legitimate heir. Patriotism, to whatever refinement it comes, by whatever degree of courage or completeness of renunciation it manifests itself, is an outgrowth of primitive savage instincts making for the preservation of the family or the group. Our notions of justice, our feelings of consideration for others, have a like humble origin, and they appear, as the plants appear, only in soil favorable to their growth.

All of our idealistic conceptions and their resultant acts are limited by our economic surroundings. "Men are what conditions make them," writes Professor Seligman, "and ethical ideals are not exempt from the same inexorable law of environment."[1] No Raphael or Shelley

[1] See Seligman, pp. 112–134. Professor Seligman's study should be read in its entirety for a fuller presentation of the theory than can be given here, but particular attention should be given to his unanswerable statement regarding the spiritual factors in history. The monograph is a scholarly work, worthy of high praise. It is necessary to point out, however, that the



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appears among the Esquimaux, no John Howard among the Apaches. A religion like Christianity becomes one thing in feudal England, quite another thing in capitalistic England; during the same period it takes one form in abolitionist New Hampshire and a vastly different form in slaveholding South Carolina. No sentiments of universal brotherhood arise spontaneously in a working community threatened with Asiatic cheap labor; no collectivist ideals are voiced among the congregations of churches endowed by dukes of the oil realm or earls of the tobacco fields.

Ideals do indubitably influence and prompt the actions of men, both individually and in the mass. But their power is limited, first, by the receptivity of the mass or the individual, and second by the prevailing economic obstacles. Ideals act as stimuli or excitants upon stored-up feelings and convictions; and these feelings and convictions are — like the ideals themselves, except that they are nearer to the core of men's lives — a product of the social life, with its eco-

author, in his eagerness to divorce the economic interpretation of history from the theory of Socialism, has made certain statements which may be indulgently characterized, in his own language, as "exceedingly naïve." See, on this subject, a caustic but thorough criticism by Austin Lewis in *The International Socialist Review*, May and June, 1903.



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nomic base. Where there are no stores of responsive feeling, the appeal of the ideal is impotent and vain; and it is equally impotent and vain, except in rare cases, where the economic structure and processes are such that the following of the ideal would involve material loss or pain.

The actual and immediate effect upon individual conduct of the preaching of ideals, the following of which would involve economic loss, may be set down as, in the main, a doubtful quantity. There are exceptions, wherein it is a most important quantity, as all know; but for all that they are but exceptions. In time, when certain of these ideals come to be generally recognized as responding to social needs, they may become embodied in institutions or laws; but before that time their effect upon the conduct of the individual is but slight. Monthly, weekly, and even semi-weekly, the 111,942 clergymen of this nation hold up to their congregations certain ideals of conduct between man and man, and plead that these be practised; and they are ably seconded in their exhortations by numbers of public teachers and advisers such as Justice Brewer, Professor Adler, and Presidents Eliot, Hadley, and Roosevelt. But it is doubtful if any custom or practice



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made necessary to the individual by economic pressure has ever been given over or sensibly altered by reason of these insistent pleadings. There are, furthermore, certain ideal pronouncements that have come down to us through the ages, and that might well, by this time, have become enfibred in the race. There is that picture which Ezekiel drew, twenty-five hundred years ago, of the just man: —

". . . And hath not oppressed any, but hath restored to the debtor his pledge, hath spoiled none by violence, hath given his bread to the hungry, and hath covered the naked with a garment;

"He that hath not given forth upon usury, neither hath taken any increase, that hath withdrawn his hand from iniquity, hath executed true judgment between man and man,

"Hath walked in my statutes, and hath kept my judgments, to deal truly; he is just, he shall surely live, saith the Lord God."

Over and over again, through the centuries, there has been held up to the generations of men this stern moralist's ideal of a just man. And yet it may be doubted if ever yet, by direct reason of it, has a money-lender declined his interest, a trader given value without profit, or a conqueror stayed his hand upon a subjugated people. Against the charge for interest there



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is, in this declaration, "a prohibition so divine" that it might well "craven the hand" of him that would take it. But can any one say that it has ever had upon individual or community a sensible influence affecting the charge which those that have exact from those that have not?

There is that other Scriptural declaration: "[God] hath made of one blood all nations of men for to dwell on all the face of the earth." Does any one suppose that the atavistic hatred felt for the negroes in this nation, and especially in the South, has ever been abated in the slightest particular by a recollection of this Scriptural assertion of universal brotherhood? Has Portia's beautiful plea for mercy, which every English-speaking schoolboy has had drilled into his consciousness, ever relaxed the exercise of the power which the landlord holds over his debtor tenant? And does the spire of Trinity Church, or the benignant face of George Washington, looking down from the Sub-Treasury steps upon the battling multitudes about Wall and Broad streets, in New York City, soften the rigors of the cannibalistic struggle that rages there day after day?

He would be an infatuated "idealist" who could answer yes. The ideal, though it has its



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influence upon belief and action, is everywhere limited by the social, and fundamentally by the economic, environment. Whatever may be our vague inclinations, our nebulous aspirations, toward a universal moral law, the stern necessity imposed by the economic process determines and fixes our practical ethics and controls our actions. So, and so only, is the ideal a factor; and so only does it qualify the economic force, conditioned by its environment, as the *sole* factor in determining human affairs.

## V

But though not the sole factor, the economic element is the chief determining factor. The economic force is the fundamental prompter of our actions; "its basal character," to repeat the words of Dr. Stuckenberg, "can be ignored only by ignorance or by a false spiritualism which itself depends on economics for existence." And as the economic force is the mainspring of action, so the economic environment — that is, the prevailing mode of production and exchange — is the closely enveloping medium which conditions all activity, bodily and mental. It is this fundamental and inevitable relation of economics to life which makes the economic force and its environment so mighty a factor in determining



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our actions, in moulding our thoughts and ideals, and in forming our institutions.

In many historic régimes and in particular episodes the dominance of this influence is so evident as to be indisputable. The militant ideals of the Spartans were necessitated in the constant repression of the Helots, who outnumbered them ten to one. In the long struggle between the plebeians and the patricians in Rome, the revolts of the English serfs in 1381, of the German peasants in 1524–1525, and of the French peasants and proletarians in 1789, the economic factor is almost exclusive. But even in historic episodes wherein, by the ordinary reader, its presence is unsuspected, closer study will often reveal it. The struggle of the Parliamentarians against Charles I developed into a class war of the yeomen and the traders against the landed gentry. The reaction which enabled Louis Napoleon to convert France into an empire was largely a movement of the traders and shopkeepers, who believed that the pageantry of an empire would mean increased buying, and who were supported in large part by the small farmers. The rise of Protestantism in middle Europe during the sixteenth century was in great part a reflection of the growth of commerce and the demand for greater liberty by the townsmen.



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"We know to-day that the Reformation was but an episode in the development of the third estate, and an economic revolt of the German nation against the exploitation of the Papal Court. He [Martin Luther] was what he was, as an agitator and politician, because he was wholly taken up with the belief which made him see in the class movement which gave impulse to the agitation a return to true Christianity and a divine necessity in the vulgar course of events. The study of remote effects, that is to say, the increasing strength of the *bourgeoisie* of the cities against the feudal lords, the increase of the territorial dominion of the princes at the expense of the inter-territorial and super-territorial power of the Emperor and the Pope, the violent repression of the movement of the peasants and the more properly proletarian movement of the Anabaptists, permit us now to reconstruct the authentic history of the economic causes of the Reformation, particularly in the proportions which it took, which is the best of proofs." [1]

That the American Revolution was prompted in the main by economic motives becomes more certain as the factors contributing to the outbreak of that conflict are more carefully studied. Even the Constitutional Convention of 1787, according to Professor Woodrow Wilson,[2] arose out of an economic need. It was the direct

[1] Labriola, p. 108.

[2] Woodrow Wilson, article on "Early Migrations Westward," *Harper's Magazine*, September, 1902.



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outcome of the convention held in Alexandria, in March, 1785, between commissioners from Maryland and Virginia, to settle difficulties growing out of the work of the great land-speculating corporation, the Potomac Company. That the political revolt which seated Jefferson in the presidency; that the similar revolt, twenty-eight years later, which seated Jackson, were largely economic, is generally conceded. The slavery issue itself became an economic struggle. Idealistic factors had their share in the passage of the clause, in the Ordinance of 1787, prohibiting slavery in the Territory Northwest of the Ohio River, and also in the work of the Abolitionists. But the issue became, as it reached its climax, a conflict between two antagonistic and rapidly expanding systems of production for the control of the Western territories.[1]

Throughout the century our political contests have been based almost wholly on eco-

[1] That the influence of the economic factor is often exaggerated, and that to it are often ascribed historic episodes wherein it has small place, are not to be denied. Professor Seligman has furnished a number of such instances. An unfortunate attempt of this kind is the ascription of an ulterior economic motive to the agitation in the United States for the Cuban war. No one, it may be said emphatically, who knows anything of the real history of that agitation, and of the forces which opposed it, can have any patience with such an allegation. It may be doubted if any



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nomic differences, and they have revealed an increasing tendency to develop clear-cut divisions between economic classes. The Greenback party, which saw its best days between 1872 and 1883, was in the main a movement of small farmers and small producers protesting against the growth of corporations. The Farmers' Alliance, and its successor, the People's party, have merely emphasized the increasing volume of this protest; while the Bryan wing of the Democratic party is an outgrowth of the same movement. The Republican party, though its rank and file is made up of wage-earners and middlemen, has become, in its guidance and control, purely a class movement for the furtherance of the aims and interests of the greater capitalists. Finally, the Socialist party, which yearly increases its numbers, is a clear and definite class movement, founded on the economic needs and aims of the wage-earners.

Constitutions, laws, juridical institutions, re-

political movement in the world's history was so clearly and unqualifiedly a product of an awakened sense of justice and humanity. The attempt to read into it economic motives merely illustrates the proneness of certain minds to force facts into accord with a preconceived theory. It may, however, be readily admitted that somewhat different conditions in the United States would have resulted in a totally different outcome. It happened that there was no adverse economic motive prevalent at the time sufficiently strong to obstruct the exercise of this altruistic motive.



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veal quite as close dependence upon economic conditions as do wars, treaties, and the conflict of political parties. As the Revolution expressed a resistance to economic oppression, so the early state constitutions reflected the economic structure of the time. Its individualism, its freedom of contract among political equals, its dependent labor on the one hand and its independent ownership on the other, are written large in those organic laws. Thus, in spite of the idealistic principles of democracy, brotherhood, and equality voiced in the Declaration of Independence, these early constitutions expressed the political form of the supposed economic needs of the ruling tradesmen and planters. Their economic needs clashed with their democratic ideals, and they could not suffer themselves to be governed by propertyless men. "It was indeed true," satirically writes Professor McMaster, "that all governments derived their just powers from the consent of the governed; yet under these early state constitutions none but tax-paying, property-owning men could give that consent from which government derives its just powers."

The property qualification was laid down not only for the franchise, but for office-holding. The requirements for eligibility to membership



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in the lower house of the Legislatures varied from the possession of an estate valued at £100 (New Hampshire) to that of an estate of five hundred acres, with ten negro slaves, or of an estate worth £150 clear of debt (South Carolina). For the upper house these figures were usually doubled, and as for the governor, "in one state he must own property worth £100, in another £500, in another £5000, and in South Carolina £10,000. . . . The poor man counted for nothing. He was governed, but not with his consent, by his property-owning, Christian neighbors."[1] Offences against property, too, were rigorously punished, and, despite occasional prohibitions of "cruel and unusual punishments," what was currently known as "justice" was meted out with a heavy hand. The change toward manhood suffrage, the abolition of the property qualification, and toward the humane treatment of offenders against property came slowly. It was a change but slightly influenced by idealistic factors, as

[1] John Bach McMaster, three lectures delivered at Western Reserve University (1903) on *The Acquisition of the Political, Social, and Industrial Rights of Man in America*. These lectures contain the most complete and scholarly summary of the facts of the early class struggles in the United States that has yet appeared. See also the pamphlet, *Class Struggles in America*, by A. M. Simons (Chicago, 1903).



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any one can discover by reading the history of the early agitations. It came, instead, by reason of a resistless pressure from below, which finally forced concessions.

War, which we are prone to think of as prompted by innate savagery, or by false ideals of courage or honor, is found to be generally motived by economic need. It was so in remote times, and it is increasingly so in modern times. New readings, in the light of modern thought, of such standard books of travels as the journals of Alexander Mackenzie, Daniel Harmon, and Lewis and Clark, show clearly and unmistakably the economic nature of nearly all the wars of the Indians of the Northwest. Though the wretched superstitions connected with the "blood revenge" bore some part in the causes of these conflicts, yet the desire for one another's property, such as horses and hunting lands, was generally dominant. Like testimony is borne by other travellers regarding the aborigines of Africa and Australia. But it is among civilized men of the last two centuries that this cause becomes almost exclusive as an inciter of war. Markets must be had for the increasing production of goods, and to open up new markets, and to hold them from other nations with goods to sell, a nation



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must be hourly ready to do battle. There was scarcely a conflict of the nineteenth century in which the economic cause was not dominant. Though the Cuban war began and was prosecuted in an outburst of humane sentiment, it is probable that in its continuation, for the holding of the Philippines, economic considerations dominated the administration.

## VI

That morals have their base in economic conditions has already been indicated; but a further word is needed regarding purely industrial ethics. The prevailing mode of production determines in large part what is moral and what immoral, and the ruling class are always the formulaters of the code. The workers, out of the direct necessities of their working life, develop an ethic of their own. The sense of fellowship, the desire to be helpful and to protect one another, the conviction that none should receive incomes without work, are the natural and inevitable product of the associative work of masses of men under like conditions of employment. And in so far as may be, allowing for all the adverse factors that operate against them, the



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lives of the workers are lived according to these ethics. But the ethical concepts of any particular time which are taught in the schools, preached from the pulpits, embodied in laws, in institutions, and in general social customs, are never those of the slaves or serfs or proletarians, but those of the owners, lords, or employers. The class origin of general morality is maintained by John Stuart Mill, a man who perhaps never heard of the economic interpretation of history:[1] —

"Wherever there is an ascendant class, a large portion of the morality emanates from its class interests and its class feelings of superiority. The morality between Spartans and Helots, between planters and negroes, between princes and subjects, between nobles and *roturiers*, between men and women, has been for the most part the creation of these class interests and feelings."[2]

Wherever we look in history, we find at least two sets of virtues and vices — one for the working class and one for the enjoying class. The code imposed on the workers changes in some respects from one economic régime to another. Under feudalism it required a fixed status, with attachment to the soil, and therefore fidelity.

[1] Leslie Stephen, *The Utilitarians*, Vol. III, p. 224.
[2] John Stuart Mill, *On Liberty*.



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Under private capital, which will not undertake the maintenance of its laborers, fidelity becomes a burden. What is wanted is dissociation from all ties, so that labor can be instantly hired or discharged, as capital wills. As a consequence, the passion for "freedom" and "independence" — by which is meant freedom from and independence of organized bodies of workmen — is fostered from above. But in all times and places the imposed code recognizes in the workers two prime virtues, industry and obedience, and two prime vices, laziness and insubordination. Under slavery either of these two vices was punished, or at least punishable, by death; and though in modern times this punishment has been abolished, owing to the gradual conquest of political power by the workers, it is doubtful if upper-class sentiment in the matter has greatly altered. There are, at this day, in this land, tens of thousands of persons living off rent, interest, or profits, who look upon a strike of workmen with much the same horror and detestation that the ruling class of a few generations ago looked upon a servile insurrection. In the eyes of such persons Mr. Mitchell and Mr. Gompers are quite as odious and gallows-worthy characters as were Nat Turner and John Brown to the slaveholders of the South. Only a few



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months ago, before a presumably cultured audience in New York City, the president of the United Mine Workers was denounced as the "leader of the Mitchell insurrection," and it was charged that he had tried to shield the "sluggers, dynamiters, and murderers in the anthracite and other coal strikes." . . . "Gentlemen," said this faithful reflector of upper-class sentiment,

"I submit to you the question, Is not the record of organized labor so stained with injustice, oppression, and crime, including treason, as to make its existence in its present form a curse to any civilized community?" [1]

The president of the National Association of Manufacturers gives voice, almost daily, to like expressions, and his words are eagerly recorded in all the important newspapers of the land. "It is true," he declared a year ago,

"that the workmen of this country were learning that for the millions of dollars they pay in salaries to the agitators, they are receiving in return nothing but ceaseless trouble, enforced idleness, and loss of the comforts of life. They are also bidding for the destruction of *their most precious possession — that of industrial liberty*." [2]

[1] Address of John Kirby, Jr., chairman of the National Citizens' Industrial Association, before the Universalist Club, January 25, 1904. (*New York Times* report.)

[2] Address of D. M. Parry before the Chautauqua Association, August 12, 1903. (*New York Times* report.)



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There are, of course, others of the employing class who have come to a more tolerant view of workmen's collective action. But the saner view does not necessarily involve a fundamental change of feeling. It has been reached largely because the phenomena of strikes are seen to be inevitable and must therefore be endured. And yet it must be suspected that even among these persons, though hard economic necessity compels an attitude of tolerance, there are frequent recurrences to a more primitive and ardent feeling — the passion to retaliate with force. This is evidently the view of a certain prominent newspaper of Chicago, which recently printed an editorial containing the following paragraph:

"It is not unlikely that sometimes the Northern employer, threatened with bankruptcy or great loss by his inability to make men work for him when he thinks they ought to do so, has wished in the bottom of his heart that he could take a whip to them and scourge them to their task, and has felt that it would really benefit them as well as himself if they could be made to quit loafing. No Northern employer will utter such sentiments, for they would make him unpopular, but he may sometimes envy the Southern planter his simple method of getting labor."

Industry and obedience are thus the two eternal virtues, and under the present régime



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"liberty" — that is, dissociation from other workers — is the one status or "right" which the economic needs of the employers demand for the workers; and all that interferes therewith is, according to employing-class morality, of the nature of sedition and sin.

## VII

There are those who reject the economic interpretation of history on the ground that it is something "sordid," "gross," and "mean." They reject it, but they testify to its truth in their hourly actions and in their familiar talk. "There are tricks in all trades," we say, blissfully unconscious that we are acknowledging the fact that an assumed standard of ethics is being universally overborne by reason of the necessities of the economic environment. We all admit that prosperity brings a contented electorate, depression a discontented and vengeful one; and that this more or less intelligent electorate invariably wreaks upon the party in power stern retribution for the visitations of grasshoppers, drouth, floods, or prairie fires. Whatever their political ideals, the voters respond promptly and overwhelmingly to the spur of economic injury. We testify, in our



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familiar talk, to the almost universal prevalence of "graft," and to the fact that all whom we know are guided or influenced in their general course of conduct by the special requirements of the particular means they have of making a living.

And yet an instinctive recoil is felt when from these universally acknowledged facts is inferred a principle of history. It is just such a recoil as was felt a generation and a half ago on the appearance of the *Origin of Species.* For the human race to find its origin in the lower animals was felt to be something "material" and "low"; it was far "nobler" and "higher" to believe in a divinely created pair, on whose progeny, in the somewhat irreverent words of Colonel Ingersoll, "the Almighty has been losing money ever since." But the idea of evolution lost most of its terrors by familiarization; it has come to be generally accepted, while to liberal theology it has ceased to be a pain and has become instead a solace. Intelligent persons no longer inquire, Is it "low"? or, Is it "high"? but, Is it true? And so, in the fulness of time must they come to a rational attitude regarding the economic interpretation of history. That it is not possible, in the present state of knowledge, to separate, in all historic episodes, the materialistic from the



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idealistic factors; that such is the complexity of life that motives cannot always be analyzed, may be conceded. But the sceptics who, for this reason, reject the doctrine, may profitably reflect upon the fact that while organic evolution is almost everywhere acknowledged by intelligent men, yet the conflict between the Neo-Lamarckians and the Weismannians as to the factors and method of that process is still being waged and bids fair to continue.

The doctrine of economic interpretation has revolutionized history. The basic facts regarding the life and work of the people of past epochs, which were slighted by so many generations of historians, are gradually being brought to light, and a new understanding is attained of the forces which have determined political events. It has also revolutionized economics, and it is reconstructing sociology. By reason of it we now begin to understand the sequential changes in the various forms of production, and we are learning the laws by which men associate in communities and by which their institutions develop. It explains contradictions which before were inexplicable. It at once translates the cryptic records of the past, and makes plain the process and the pathway of future progress.



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## CHAPTER II

### Classes and the Class Struggle

It is a part of the economic interpretation of history to hold that since the dissolution of primitive tribal society, social processes have inevitably grouped men in economic classes. An economic class is an aggregate of persons whose occupation has the same bearing on the supply of things wanted by mankind, and who in that occupation sustain the same relation toward other persons. Or, in other words, it is an aggregate of persons whose specific economic functions and interests are similar, and who, therefore, bear a common relation to the prevailing economic system. In all communities of persons who produce goods for individual profit there exists, necessarily, an antagonism of material interests. These persons may have like *general* interests; as consumers they will all want goods at low prices; they may equally desire peace, prosperity, and health; they may have an equal interest in salubrity of climate



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and fertility of soil. But their *particular* interests vary and conflict in accord with the different methods by which the individuals secure their living. The diversity and antagonism of kinds of interest and function determine class divisions.

The interests of a geographical section are of a different character from the specific interests of a class. That all the inhabitants of Alabama are benefited by the development of the iron industry of that state may be true; but the fact alters in no way the nature of the economic relation between the iron-workers and the mill-owners. The cotton industry of Georgia is a sectional interest in which all the inhabitants of that state may be deeply concerned; but the wretched peons who pick the cotton and the masters who reap the profits have functions entirely apart and specific interests directly opposed. The Bryan movement of 1896, and to a less extent that of 1900, were in large part sectional. They were not, however, in any specific sense, class movements. Men of all classes were comprised therein, and in not the slightest degree were class lines shifted or class relations modified throughout the South and West, where these movements developed their greatest strength. The Civil



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War, too, was prompted by a sectional interest, and that in turn was based on an economic interest. Moreover, as between the controlling forces on each side, it was, in the main, a class conflict. But within each of the two warring sections were widely separated economic classes, whose boundaries and relations (except those of the slaves) remained unaltered by the struggle. In no other instance, perhaps, in modern times have classes with interests so fundamentally opposed as were those of the various Southern classes made common cause in a great war; and the truth embodied in the adage, "This is a rich man's war, but a poor man's fight," which Ex-Secretary Herbert tells us became a common saying in the South at the time, was gradually driven home to the consciousness of every intelligent poor man who bore his part in that conflict.[1] In present times, under the increasing stress of the industrial struggle, class feeling conquers both sectional and national feeling. It overleaps the boundaries of sections, and even of nations, and among both capitalists and workmen embodies

[1] General John B. Gordon, in his *Reminiscences*, denies that this conviction prevailed to any considerable extent in the South. It is enough to say that his views and interests, as a member of the old ruling class of that section, would strongly tend to render him oblivious to a prevailing conviction of that kind.



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itself in national and international affiliations of men of a common economic interest.

Class membership is based on similarity of specific functions and interests. But the units of a class may be engaged in a great diversity of occupations. Baker and compositor, iron-moulder and carpenter, are alike units of the class of wage-earning producers. Their specific function, despite the varying technic of their labor, is that of producing goods for wages; their specific interests are alike, and they all bear a like relation to the economic system. All owners of the tools of production used by other men are of one class; all self-employing producers are of another. So, too, all slaves, whether men employed in picking cotton, or women employed in nursing their master's children, were of the same class. Whatever the nature of their toil, whatever the degree of trust in which they were held by their owners, they were alike in that they had common interests, a common function in doing what they were bid, and a common relation of absolute dependence.

## I

The earliest appearance of an economic class is in the form of slavery. Under pure savagery



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slavery is but rare and incidental; it is possible, and perhaps probable, that slave classes begin to appear with the conquest of peoples who have developed tribal industries — that is, the craft of making some one product in which all the working members of a tribe engage. A tribe skilled in a certain craft is conquered by a rival tribe, covetous of its product, and is henceforth compelled to produce for its conquerors. Tribal industries appear at a very early time in the history of mankind, certainly as early as the period of so-called "hoe culture." With the subsequent development of agriculture comes the need of workers in the fields; and other adjacent tribes are conquered and enslaved. Classes also arise under the division of labor consequent upon the growth of individual industry and the accumulation of property; but this is indisputably a later process, requiring a more peaceful and stable society. Classes are thus formed under either peace or war, in the former case through the accumulation of individual property, in the latter case through tribal or racial conquest.

Whenever these conquests occurred, among post-primitive tribes, they usually resulted in a more or less complete subjection of the de-



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feated.[1] Whatever the previous gradation of classes among the vanquished, the quartering upon them of a new ruling class generally meant an almost uniform levelling to the status of slavery, serfdom, or peasanthood. Even in comparatively recent times this form of subjection has sometimes resulted. Such a conquest, for instance, was that of the English Saxons by William of Normandy. "Within the lifetime of William, . . . of his two sons, . . . and the nominal reign of Stephen," writes Professor Cheney, "the whole body of the nobility, the bishops and abbots, and the government officials had come to be of Norman or other continental origin."[2] Even the architects and skilled artisans, and perhaps most of the merchants, were Normans. The great body of the Anglo-Saxons had been reduced for the time to the status of an inferior class.

[1] The "struggle of races," or, to be more accurate, the "struggle of tribes," is strongly depicted in Professor Ward's *Pure Sociology*, though the author neglects its economic implications. Bücher's studies are much more to the point. See particularly the chapter on "The Formation of Social Classes" in his *Industrial Evolution*. Kropotkin's two chapters on "Mutual Aid among Savages" and "Mutual Aid among Barbarians," in his *Mutual Aid, A Factor of Evolution*, while in many respects illuminative, are unsatisfactory on the purely economic side.

[2] Edward P. Cheney, *An Introduction to the Industrial and Social History of England*, p. 16. Scott gives a some-



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But in later times, coincident with the firmer establishment of political states and the development of more stable forms of industry, conquest has affected classes less and less. Even the many conquests in feudal times for the most part merely supplanted one set of rulers by another, effecting by taxation or tribute the exploitation of the defeated, and leaving the serfs, tenants, and overseers who escaped death in their former tenures and employments. And as feudalism passed away, and a new form of production arose, these classes were naturally transformed to meet new needs. There is thus traceable in the more civilized lands, but particularly in England and Germany, where economic development has proceeded along comparatively regular lines, a historic continuity of classes. "Out of the slave class, as it was organized by the Romans in the countries subject to the Empire," writes Professor Ingram, "the modern proletariat has been historically evolved."[1] From villeins to peasants, from free tenants to yeomen or small landholders, from retainers to professional men, is a common and discernible evolution. There are breaks in

what different view in his *Ivanhoe*, but it is likely that he was mistaken.

[1] J. K. Ingram, article on "Slavery," *Encyclopædia Britannica.*



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the process, it is true, due to the rise or fall of individuals from one class to another; to the expansion of industry, which has created entirely new classes, and to the overrunning of communities and sections by hordes of alien workers, displacing the resident workers. But as under a particular form of production the position of a class in its relation to the other strata of society remains generally constant, so, too (allowing for such modifying factors as displacement due to capitalist concentration and alien immigration, and the freer opportunities common to new countries), does its hereditary personnel. The children take up the work of their fathers and carry it on to the next generation; and though the son of a physician becomes a civil engineer or a lawyer, the son of a baker becomes a shoemaker or a bookbinder, while troops of boys from the towns and country flock to industrial positions in the cities, yet the *general vocational class* of the great mass of fathers and sons remains the same.[1]

Even in America, despite its comparatively brief history, its less regular economic conditions, and its constant influx of immigrants, the evidences of class heredity are abundant. Let

[1] See Bücher, pp. 334–335.



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one take, for instance, any stable community in the Middle West, where the refinement of modern industrial processes has not as yet caused a wholesale expropriation of the "middle class," and compare its character to-day with that of twenty or thirty years ago. He will find that though the population has undergone considerable change, and though the variety and number of occupations have greatly increased, yet the farmers of to-day are in large part the sons or grandsons or other heirs of the farmers of yesterday, and that the mercantile, professional, and even artisan and laboring classes show a like heredity of vocation. That individual exceptions, due sometimes to signal ability, but more often to chance, are many, is not to be disputed; but they are rare compared with the instances that make the rule. The social influences centring about the life of a boy tend strongly to conform him to his father's class; and when to these are added the more powerful determinant of economic influences, there is small chance of escape. The child of the artisan has one environment, the child of the lawyer another. Each feels, thinks, and acts in greater or less conformity to his particular surroundings; and when the time is reached that the child's future is decided upon, it is the



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income and the intellectual training of the lawyer which determine a professional career for *his* child, and the lesser income and lesser intellectual training of the artisan which determine for *his* child a life of manual labor.[1]

## II

The first classes in America were the product of an older civilization, and were imposed on our social life at its beginning. The *Mayflower* brought in indentured servants, and in the previous year a cargo of negro slaves was sold in Jamestown. The status of the white servants was little better than that of slaves. During the term of their bound service "they were worked hard, were dressed in the cast-off

[1] Such common exceptions as those of country boys, among the thousands that yearly flock to the cities, who attain some measure — occasionally a large measure — of so-called success, will readily occur to most readers. It should be remembered, however, that it is, at least numerically, if not intellectually, the exceptional boy who leaves the farm, while the mass remain behind; that among these sifted ones it is again the exceptional one who succeeds in invading a "higher" class, the greater number merely passing from farm labor to clerical, mechanical, or common labor in the cities; and finally, that among those who succeed, by far the greater number are those whose parents were in a financial position to give their children an education or technical training. Another class of exceptions is furnished by the children of the sweatshop immigrants on the lower East Side of New York City.



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clothes of their owners, and might be flogged as often as the master or mistress thought necessary. . . . The newcomer became in the eyes of the law a slave, and in both the civil and criminal code was classed with negro slaves and Indians.[1] . . . They were frequently sold to speculators, who drove them, chained together sometimes, through the country, from farm to farm, in search of a purchaser." For nearly two hundred years this traffic was maintained,[2] continually adding to the servile white class of the North, as the importations of negroes at the South kept adding to the servile class of that section.

At the end of their term of service these servants sought work for themselves. Many of them drifted West and took up land, many struggled into small businesses, or developed

[1] McMaster, *The Acquisition of the Political, Social, and Industrial Rights of Man in America*, pp. 34–35. So McMaster writes, but Miss Salmon, in her excellent work, *Domestic Service*, gives many instances of laws, even of early colonial times, designed to guard servants against oppression. Such laws, however, seem to have been very generally violated.

[2] Lucy Maynard Salmon, *Domestic Service*. Miss Salmon records (p. 69) the landing in New England of forty servants in June, 1622, and of some three or four hundred in 1628. She also notes (p. 20) the purchase of "one German Swiss" and "two French Swiss" from a Dutch ship in Philadelphia as late as August, 1817. The proportion of the indentured class in the earlier batches cannot, however, be determined.



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some particular form of industrial service. But the rapid development of American industry, along with the still more rapid appropriation of land, had created a proletarian class in all the large cities; and the great mass of the freed servants went to swell this body. The existence of a class of landless "free" workers at day labor is revealed in pre-Revolutionary records. Following the Revolution, the development of capitalism in the North caused both bound service and slavery to disappear, and greatly augmented the numbers of these "free" workers. Though the outlet of unappropriated lands in the West set some limits to the growth of this class, it nevertheless steadily increased. The sufferings of the city poor were often appalling, and the social writings of the first half of the nineteenth century show that however hapless may now be the condition of a great part of the working class, it was worse then. Protective and sanitary laws, labor organizations, and the general influence of manhood suffrage, all of which combine in our day to set some bar to the otherwise inescapable robbery of "free" workers under capitalism, were as yet unknown or of but slight efficacy. Winter in the larger cities was a season of general privation. "Notwithstanding the active



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and stirring features the city of New York exhibits," writes an author of the third decade, "there were, on the first of January, 1826, at least one-fourth of the journeymen in its different mechanic arts destitute of settled employment."[1] Frances Wright (Madame d'Arusmont) gives a darker picture of the winter of 1828–1829; while Horace Greeley, writing of the same period, but particularly of the "dead" season of 1831–1832, says: "Mechanics and laborers lived awhile on the scanty savings of the preceding summer and autumn; then on such credit as they could wring from grocers and landlords, till milder weather brought them work again. . . . It was much the same every winter."[2] Ten thousand persons were in utter poverty in New York City during the winter of 1838–1839, while in 1843, according to Parke Godwin, forty thousand persons, or about

[1] L. Byllesby, *Observations on the Sources and Effects of Unequal Wealth* (New York, 1826), p. 105. This rare book is, with perhaps one exception, — *An Address to the Members of Trade Societies* (Philadelphia, 1826(?)), — the first distinctively Socialist work published in America. It is largely built upon Robert Owen's theories.

[2] A great deal of valuable data regarding early social and industrial conditions is to be found in the late Charles Sotheran's *Horace Greeley and Other Pioneers of American Socialism.* See also an article by the present author, "The American Workman's 'Golden Age,'" *The Forum*, August, 1901.



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one-ninth of the city's population, were relieved at the almshouse. America may have been another name for opportunity, as Emerson said; but it is evident that to hundreds of thousands of persons opportunity itself was but a name. A landless, proletarian class had become a fixed and enduring stratum in American life.

## III

The existence of classes here in republican America is often indignantly denied. But upon what valid grounds the denial is made would be difficult to discover. Industrial evolution has resulted in a vast differentiation in kinds of employment, and it has amplified and extended the fundamental differences in the relations of men to production itself and to the system of production. The relations of the toolless employee and of the factory-owning employer to the product of any particular shop are widely distinct; and throughout all society there exists a gradation of groups of men with varying relations to one another, to a particular product, and to production as a whole. Professor Ely, in his most recent book, frankly concedes the fact of classes in America, briefly explaining their genesis and development: —



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"If we take any definition which we will as a guide, we must acknowledge that we have classes in the United States. We have groups of individuals who possess common characteristics. They have their own peculiar habits of body and of mind, and their own peculiar needs. The farmer has his own way of looking at things, the merchant another way. The wage-earner, especially as he develops, as he is doing, class consciousness, has still other ways of doing things and viewing affairs. The chief classification in our own day is that which is caused, on the one hand, by variations in wealth, and on the other, by a separation between the employed and the employers."[1]

And again, in the same work, dwelling upon the clearer delimitation of class lines under modern social processes, he writes: —

"This classification [employers and employed] has been growing in importance. In Washington's administration, let us say, it at least would not have been unreasonable for an ordinary laboring man to expect to become the manager of a business of his own. Nowadays it is absurd to hold out to the masses of men such a prospect. The few may rise, as the few may draw prizes in a lottery, but it is foolish for an ordinary workman to look forward to great wealth or to the ownership of an independent business. There are, for example, over a million persons

[1] Richard T. Ely, *Studies in the Evolution of Industrial Society*, pp. 84–85.



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engaged in the railway business in the United States, but less than one per cent. of them are officers of any sort, let alone being president of the railway."[1]

Even the most blissful of the social unitarians — the deniers of class and the asserters of economic and social unity under private capital — will hardly allege that domestic servants and, let us say, bankers, belong to the same economic division. Their differences of function, interest, and relationship to the system are obvious. Nor will any, except a few sentimentalists who delight in reiterating the empty phrase that "the interests of capital and labor are identical," maintain that the same economic group may comprise both boilermakers and railroad presidents. Between lawyers and farmers, miners and stockbrokers, lie equal differences of function, interest, and relationship, and no torturing of the obvious facts can transmute such diversities into likenesses. These differences are the basis of class groupings.

That passage from class to class is possible and does actually occur, is of course true. Workmen sometimes become retailers and retailers often become workmen. It is such facts which serve for the basis of the usual denial of the

[1] Ely, pp. 79–80.



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existence of classes. But one could, on like grounds, deny the existence of the German nation. Thousands of Germans yearly remove to America, while hundreds return to their fatherland. How, indeed, can there be such a corporate entity when groups of the atoms of which it is alleged to be composed are in so constant a movement of disintegration and reintegration? The frontiers and boundaries of class are no less frontiers and boundaries because they are traversed by individuals. So long as one is a unit of a particular class his function, interest, economic relation, and, as a general thing, his social standing, are those of the mass of his fellows: and when he ascends or descends to another class, he has, like Ferdinand's father, "suffered a sea-change," and has become, economically, another thing.

The asserters of present social unity freely admit that there are gradations of wealth and diversities of function; they admit generally that these are likely to continue. Indeed, the necessary continuance of these disparities has become a fixed article of creed with the defenders of the present régime. To the theological, the Almighty willed it; to the "scientific" and anti-theological, Nature willed it; while to the magnates, who may be of either or neither sect,



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this continuance is equally a matter of certitude, since they themselves have willed it. All the tests that are here required for the definition of an economic class are generally admitted by the social unitarians to be embodied in existing conditions of American life to-day. But for all that, they strain at the word "class." It is a dreadful term, and must be avoided at whatever cost. And so, for its orthodox definition, they demand a status fixed and inescapable, as shut-in and permanent as that of the Hindu castes.

This absolute fixity of status cannot, of course, be shown. For though increasing barriers hem in the proletarian class, displacement among the upper orders is common. Throughout the nation, but particularly in the larger centres, the number of persons who are yearly pitched headlong from the barricades of the earthly paradise of the possessing classes into the outward world of the proletarians is enormous. The census figures on occupations tell, in a crude way, something of the story. In agriculture, the number of tenants increased in the twenty years, 1880–1900, by 97.7 per cent., while the number of owners, part owners, "owners and tenants" (working in common), and managers increased by but 24.4 per cent. During the last decade the number of employing farmers



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(both owners and tenants) increased by but 7 per cent., while the farm laborers increased by 47 per cent. In trade and transportation a like movement is discernible. Retail merchants increased during the last decade by 19.5 per cent., while draymen, hackmen, and teamsters increased by 49 per cent., packers, shippers, porters, and helpers, 130 per cent., and salesmen and saleswomen, 131 per cent. Much the same story is revealed in the figures for the other branches of commerce and industry. In one branch of manufacturing, that of agricultural implements, the decrease in the number of establishments during the last decade has been 21.4 per cent., while the number of wage-earners has increased by 20 per cent. For the fifty-year period, 1850–1900, the number of establishments of this sort declined about one-half, while the number of wage-earners increased nearly 600 per cent. When the rate of increase in any of the subdivisions of the "middle class" is less than that of the increase of population, it means, in all likelihood, a certain degree of displacement; but when, further, this increase is small compared with the increase of commercial transactions and of the numbers of the proletarian class, it can mean only wholesale ejection of middlemen into the ranks below.



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Nevertheless, though individuals still traverse the boundaries of class, it is indubitable that these dividing lines become stronger with the constant hardening and settling of industrial processes. The economic elasticity of fifty years ago has disappeared. In the earlier days of the Republic it was common for an individual to be connected with several economic classes. He would often be farmer, capitalist, and trader. As a member of the now disappearing class of handicraftsmen he would be both workman and trader. The village blacksmith or shoemaker often tilled a moderate tract of ground, while the tradesmen and manufacturers of the cities as well as the towns not infrequently lived on large farms, which were thoroughly cultivated.

The change in conditions is obvious. There is an increasing specialization of employments which devotes the overwhelming mass, for the term of their lives, to the special kinds of labor in which they engage in youth. Though concentration in industry yearly forces thousands from one class to another, the transfer is generally on a descending scale, and the undeluded among those who have been displaced, recognize that henceforth and to the end their status is fixed and unchangeable. Along with these objective changes, there are everywhere



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observed increasing manifestations of class instinct, ripening here and there into class consciousness; while class antagonisms become more constant and more determined, and the class struggle which, under varying forms and with varying degrees of consciousness on the part of the participants, has been intermittently carried on for ages, becomes again more acute.

## IV

Out of class interest and function develops class instinct.[1] It manifests itself in like feelings and actions under like conditions of employment. However isolated from his class fellows the individual may be, he sees, thinks, and feels regarding his more immediate concerns as his class interest and function determine; and the color and direction given by his primary interests tinge and direct his beliefs and influence his actions in most other matters. Professor Commons has distinguished self-interest from class interest, and each of these from national interest or patriotism.[2]

[1] The word "instinct" is here and elsewhere employed in a popular rather than a scientific sense. "Habit-reflexes" would perhaps be a more exact term for what is described.

[2] John R. Commons, "Discussion of the President's Address," *Proceedings of the Twelfth Annual Meeting of the American Economic Association*, pp. 63-64.



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The first two, however, though apparently distinct, are readily resolvable into an obverse and reverse of the same thing. Class interest is but another aspect of self-interest, having its base in the same desires and needs. Primarily, the human struggle is one for individual advantage. But since there are obvious limitations to the extent to which the individual can assert himself, he instinctively develops the practice of acting in unison with certain of his fellows of like conditions and having like needs. And as industry becomes differentiated, and particular groups develop more specialized functions, the sense of similar interests and the practice of like functions create a more specialized set of feelings and beliefs, in which all share.

In times of slavery, the general mass of masters hold one set of ideas of what is right, and what they propose to enforce, while the general mass of slaves have another set of standards and purposes. Under feudalism, the upper classes view matters in one way, while the villeins view matters in quite another. Under the present capitalist system, employers of necessity agree with one another in certain standards of action and a certain common will, while, on the other hand, employees as inevi-



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tably rally around a quite different set of feelings and convictions.

These feelings and convictions are not temperamental; they are not even necessarily reasoned. They are the mental reflexes produced by functions and interests. They are not fixed in the mental fibre of the individual, for the individual shifts his beliefs when he passes from one class to another. As a mechanic, he views industrial problems in one light: good wages, short hours, and, if a union man, the mutual regulation of the smallest and pettiest details of shop work, are to him almost the elemental principles of a religion. But when he becomes an employer, that which had before seemed to him just, comes often to be regarded as unjust and even grotesque. He has suffered no change in moral integrity, no impairment of judgment; yet suddenly he has found hollow and meaningless that which before was almost axiomatic. It is his new interests which dominate him — new interests arising out of new methods of making a living; and it is almost inevitable that such interests, based on such profound needs as the maintenance of life, should endow him with new beliefs and standards of conduct. These interests are the basis of his class feeling and his class attitude.



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It must not be thought, however, that because men develop class instinct and class feeling they necessarily develop class consciousness. The consciousness of class follows haltingly and tardily the instinct of class interests. A non-union workman, for instance, looks at questions of wages and hours from the standpoint of a workman; he wants high wages if he can get them; short hours, healthful conditions; and whatever ethical standards he develops arise out of his status as a worker. But he is almost wholly devoid of class consciousness. Possibly he considers himself a worker for the time only, and expects by some wondrous transformation to become an employer; or possibly his understanding is too narrow to entertain any conception of classes. At any rate, he cannot see, or refuses to see, that his interests are bound up in those of his fellows. He fails utterly to comprehend that what is one wage-earner's gain or loss, *as a wage-earner*, is potentially, and in the long run, the gain or loss of all other men in that class.

It is this fact of the slow growth of class consciousness among the producers that has made them so long the prey of the exploiting classes. The union workman and the Socialistic union workman — the former imperfectly,



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the latter fully—have developed this consciousness of class, and in turn strive to awaken it in their more dormant brothers. The rapidity of its growth depends largely on the nearness of the benefits to be gained by its assertion. Thus the union workman reaches his partial class consciousness by a sense of the immediate benefit in wages and conditions to be gained by collective bargaining. The fuller class consciousness involved in the concept of collective action by the whole class of producers for the gaining of approximately the entire product of their labor, is more tardily attained, because the benefits promised seem less tangible and more remote. But with the increasing stress of the class struggle, the consciousness of class gradually awakens in the minds of an increasing number of the participants, and manifests itself in a more united and determined assertion of their varying claims.

## V

The struggle of the non-possessing against the possessing classes goes on in all historic times; and the various intermediate classes are forced by the current of circumstances now to this and now to that alignment, as their



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material interests dictate. But in all times it is the nature of the antagonism between the two extreme classes, based on the economic conditions separating them, which determines the form of the struggle, the intermediaries acting the part only of transient auxiliaries. In this struggle the non-possessing are at one time more or less conscious and determined, as the followers of Spartacus, the German peasants of the sixteenth century, and the followers of Wat Tyler; and at another time unconscious of their mission and their work, and but blindly and instinctively battling against seemingly inexorable powers, as the lower animals strive against Nature for the means of existence.

But in our day the increasing signs of an awakening class consciousness follow closely the increasing signs of an intensifying class struggle.[1] Though large sections of the general mass may be for the time quiescent, lulled by the illusion of social peace under private capital, and ignorant of the part their daily strivings in the workaday world bear in the great issue, yet the conflict becomes more acute in their despite. It has not infrequently

[1] For a striking summary of the present phases of this conflict see Jack London, "The Class Struggle," *The Independent*, November 5, 1903.



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happened, during the various historic periods working toward a revolutionary change, that a temporary quiescence of the majority has coincided with an increased aggressiveness of the minority. Such a phenomenon is observable now. Though the multitude slumbers in fancied security, looking upon its economic strivings and disputes as mere unrelated incidents of chance, the advance guard of each of the two extreme classes has reached a full consciousness of its interests, of the part it bears in the struggle, and a determination to yield no point to its opponent. Organization of classes and sub-classes, under these awakened leaders, steadily proceeds, until throughout the nation is observed the phenomenon of militant forces lined up for action. Few legislative measures of any economic consequence are proposed that are not approved and supported by representatives of one class, and denounced and opposed by representatives of another. The blacklist opposes the boycott, the lockout opposes the strike, martial law and the injunction, in the hands of one class, are employed as weapons against an antagonistic class. Though arbitration and conciliation have made headway in preventing or postponing labor troubles, an increasing bitterness characterizes



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all the open conflicts. The ruling class — or rather, a part of the citizenship, acting under the direct incitement and control of the ruling class — in the recent Colorado troubles have displayed a brutality and a lawlessness in their treatment of innocent and unresisting men, and even women and children, never before shown on a like scale in the United States. Powerful organizations, such as the Citizens' Industrial Association of America and the National Association of Manufacturers, with other less powerful but quite as militant bodies, formed on purely class lines, array themselves against bodies of organized workmen, while the latter devote themselves to the task of strengthening their unions to the utmost and preparing for the coming crisis. Professional retainers, from their chairs and their pulpits, ally themselves with the dominant class, interpreting its special claims as the substance of an ethical code obligatory upon all mankind, and echoing its demands for "free labor" and the "open shop"; while the social "dough-faces," of all classes and of no class, add their voices to the chorus of conflicting noises with the cry of "Peace! Peace!" when there is no peace.



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## VI

Congenital optimists, as well as other conservatives of various kinds, are very fond of charging social agitators with attempting to develop classes by appealing to class hatred. But it is overlooked that this allegation is in itself an acknowledgment of the existence of classes. Without classes there can obviously be no such thing as class hatred. Obviously, moreover, this allegation refers to the fostering of hatred among workmen for their capitalist masters. By what means has been developed the responsive hatred by the masters of the men, of which such striking examples have recently been given by the public representatives of the militant employers' organizations, is not disclosed. It should be remembered, further, that with the development of industry in times of peace, classes arise long before there is any awakening of class hatred; and, finally, that an inferior class may be so benumbed by oppression or so cajoled or wheedled as to acquiesce in its wrongs and to reverence its oppressors. The reason for class hatred among normal men is the sense of economic exploitation, with its almost inevitable resultant of a sense of social inferiority. As the Rev. Mr. Lovejoy writes:



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"The cause of class hatred lies in the relation that one class sustains to another. The counterpart of hatred is contempt, and where there is one class in society that looks down upon another as its inferior there will be another class in society which will respond to that look with hatred. For contempt is not passive; it is active and at the heart of much of the injustice history has been compelled to record. The men who look upon their fellow-men as inferior, as possessing no rights worthy of respect, will seek opportunities to infringe those rights, to take advantage of the inferior strength or position of others, and when one class is in a position in which it is able to wrong another class, and does wrong it, that other class will hate the first."[1]

Doubtless there are social agitators who are men of bitter temperaments and who make their appeal to hatred. But bitter temperaments are confined to no class. They are, as a matter of fact, if one may judge of the character of a class by the expressions of its most eminent representatives, quite as frequently found in the upper as in the lower divisions. Insistence upon the fact of classes, and attempts to develop the class consciousness of the workers, are not of themselves manifestations of hatred. The thing done is a statement of fact, and the thing

[1] Owen R. Lovejoy, article on "Socialism *versus* Class Hatred," in *The Worker*, newspaper (New York), May 1, 1903.



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sought is not the perpetuation of classes, but their abolition. It is only by making men aware of the unhappy truth that they can be influenced to apply the remedy. As a Socialist writer says in a recent number of a Western newspaper: —

"The class struggle is not an invention of the Socialists. It is a fact which they discovered by a scientific analysis of human history. The class struggle had been raging in human society thousands of years before the Socialists discovered its historical function and pointed it out. So did the struggle for existence between the organic and inorganic creation, and between the various divisions of the organic creation, rage for uncounted ages before Darwin formulated his definition of it. But the first enunciation of the class struggle in human language was no more a gospel of hatred than was the assertion of the struggle for existence by Darwin. It was simply the statement of a scientific fact in plain scientific terms. The first Socialists who pointed out the existence of class struggles did so only to show their historical function in the development of society, and to declare that their aim was the abolition of all classes and of all class struggles. This alone should be sufficient proof to the unbiassed mind that the Socialist philosophy is the scientific foundation for a new ethics, not a philosophy of hatred." [1]

[1] Ernest Untermann, article on "The Materialist Conception of History," in the *Appeal to Reason*, newspaper (Girard, Kan.), September 19, 1903.



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The essential first step toward future harmony is to understand the causes of the present discord. Only by a thorough recognition of the character and causes of class divisions can the material factors compelling those divisions be abolished, and the ground be prepared for a complete and abiding social unity. To blame those who point out the fact of classes and the class struggle is futile, and the passion that prompts such blame is as senseless and barbaric as was that of the Oriental kings of old who slew the messengers of ill tidings.



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# CHAPTER III

## Classes and Class Functions

### I

No analysis of class divisions, it may be admitted, can be entirely satisfactory. For it is evident that hard and fast lines cannot be set for all the various groups in the great body of workers in gainful occupations. Whatever the test applied, it will be found that there are many and important exceptions. Social definitions must, in the main, deal with centres rather than circumferences. The older zoölogy embodied the fault of setting rigorous bounds to species, while the newer zoölogy has come to consider a species in the light of an average of characters, with wide variations extending in many directions from a common centre. Social science deals with far more complicated factors than does physical science; and the lesson drawn from the latter must be kept in mind at every step of our survey.

When viewed in the mass, with regard for



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what is characteristic or typical, the distinctions are clear as between the two extreme classes of wage-earning producers and of capitalist employers. Function, interest, and relationship to the régime are set off in sharp contrast between the one class and the other, while divergences of belief and conduct, built up from this materialist basis, are quite as marked. But individuals have often a complexity of function and interest which compels in them a divided allegiance to several classes. The economic forces exerted upon the members of the intermediary classes are many and various, and even upon the members of the extreme classes are often diverse. The professional man who has invested money in trade, the wage-earner who has bought a few shares in Steel or Shipbuilding, are cases in point. As the earth has a primary motion of keeping to the track of its orbit, so has the individual a primary relation to the class wherein lies his dominant economic interest. But the earth has also other distinct motions in space, due to planetary and other attractions, and so, too, the individual is variously acted upon by extra-class influences.

The individual may be a wage-earning producer, and yet the peculiar nature of his task may be such as to alienate him from the com-



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mon body of instincts and beliefs of other wage-earning producers. Many employees, such, for instance, as clerks, though in reality proletarians, with functions somewhat similar, and interests relatively common, to the entire body of wage-earning producers, bear an attitude of almost complete acquiescence in the thoughts and beliefs of the class that employs them — a class most of whose interests are directly antagonistic to their own. The individual may be an educator or a minister, whose right function is social service; and yet the exceptional nature of his relation to the dominant class, joined with a certain bent of mind, may be such as to prompt in him a grovelling conformity to its particular code. It may even prompt in him an anticipatory service, like that which a squaw renders to her savage lord, or an Oriental body-slave to his master. Thus throughout the industrial army may be found individuals and sometimes even groups, who may be considered to be economically of a certain class, but psychologically and socially are the dupes and creatures of a more powerful class.

## II

Though the fact of economic classes becomes increasingly apparent, no adequate survey of



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the subject has thus far been offered. Such attempts at the analysis of classes as have been made by non-Socialist writers have generally resulted in vague definitions and fallacious distinctions. Even the Socialist writers, with their clearer conceptions of the question, have neglected to describe and chart this most interesting field. What, for instance, is meant by the common expression, "the middle class"? Both Socialist and semi-Socialist writers disappoint us with their indefiniteness on this matter: Marx, Engels, and Kautsky on the one hand, and Schäffle and A. Menger on the other, do not give us what we want. Kirkup, in his scholarly *History of Socialism*, is likewise disappointing. The popular writer, Robert Blatchford, in his *Merrie England*, talks of "middlemen," but not of a middle class. Tract No. 5 of the Fabian Society, wherein, if anywhere, one would expect to find this class distinctly delimited, is unsatisfactory. There is given, it is true, a class of "comparative rich," with an annual share of the national income of $1482 per adult male, but it is too imperfectly described to be of any service to us.

The conservatives, such as Professors Giffen and Levi and Mr. Mulhall, are quite as unsatis-



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factory. Mr. Mallock talks learnedly and positively of three classes, "the working classes," "the middle classes," and "the rich." In the first are included persons whose yearly income per family is less than $729; in the second, between $729 and $4860; and in the third, more than $4860.[1] Professor Ely recognizes the fundamental distinction due to economic function and interest, but ventures upon no comprehensive classification.[2] Professor Seager likewise points out differences of economic function, and the mental and moral reactions which inevitably follow,[3] but when he comes to his classification, falls back upon the test of relative income. He divides "the working population" — evidently the whole body of persons engaged in gainful occupations — into five classes. In the first class are placed those whose incomes "from property or from professional or business activity" exceed $3000 a year for each family. The second is the "middle class," with incomes ranging from $1500 to $3000; the third, the "skilled workers," $600 to $1500; the fourth, "unskilled workmen," $1 to $2 a

[1] W. H. Mallock, *Classes and Masses*, pp. 8–9.

[2] Richard T. Ely, *Studies in the Evolution of Industrial Society*, pp. 74–86.

[3] Henry Rogers Seager, *Introduction to Economics*, p. 48.



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day, and fifth, the "submerged tenth," less than $1 a day.[1] Other tentative classifications have from time to time been made, the test of relative income being invariably employed by conservative or non-Socialist writers. Only the Socialists have insisted upon the fundamental distinctions due to economic function and interest, with their natural sequence of distinctive beliefs, attitudes, and conduct.

## III

The test of relative income fails utterly to furnish a standard for distinguishing classes. No common characteristics, no common body of instincts and beliefs, are developed among men by parity of income alone. It is the difference in methods of making a living that divides the mass into economic sections, those individuals of like tasks and interests developing common characteristics and reacting, as the psychologists would say, in like ways to the same stimuli.

There is, for instance, among the whole body of the rich, a common, though not universal, attitude favoring the repression of organized

[1] Seager, pp. 234–243.



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labor, the defiance of laws safeguarding public interests that conflict with their own, the bribery of legislators and administrators, and the manipulation of teaching in the schools and colleges. This attitude is due, however, not to the fact that these individuals all have large incomes, but to the fact that these incomes have a like economic origin. The overwhelming mass of the incomes of the rich comes, directly or indirectly, out of a profit from the toil and service of other men; and it is but natural that a common social attitude should be reached among them; but it is the *character*, and not the *amount*, of the income which determines this attitude.

Mere parity of income will not suffice for a test. The skilled workman in the highly organized trades is often in receipt of an income equal to that of a "successful" petty tradesman. And yet there can hardly be found two persons in the community who are farther apart in their class attitudes. The physician, architect, or dentist, if "successful," may have an income approaching that of a lesser magnate; if unsuccessful, he may barely keep himself in a mean degree of comfort. But whether prosperous or poor, he is economically of the same class, with an instinctive attitude



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toward other individuals and toward society as a whole, like that of his fellows, and which has developed naturally out of his training and the exercise of his economic function.

## IV

What, then, upon the basis here given, are our economic classes in America? Obviously, we must omit from consideration those persons who bear but a problematic relation to the economic system. First in this category are non-wage-earning women. Women who bear and rear children and who make homes are of course a part of the economic life of a nation. But they are not a separable economic class. In so far as their function is economic it is but subordinate or auxiliary to that of their husbands, sons, fathers, or brothers; while their class attitude is, as a rule, but a reflex of that of their male kindred with whom they are partners or sharers in the economic life, and must necessarily remain so as long as classes endure. Children are also in this category, and so are the old and the disabled, as well as tramps and criminals. Still another section in this general division are the police and the men of the army and navy. They are, of



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course, related to the general economic life; but the relation is vague and indeterminate, and they are by no test distinguished into economic classes.

Our inquiry relates only to those persons who are directly concerned with production, distribution, exchange, and service. Among these the first, the most numerous, and the most important class is that of the Proletarians, or Wage-earning Producers. Production, in its broadest sense, includes the sum of the processes employed in furnishing commodities, from the raising or gathering of the raw material to the delivery to the consumer of the usable product.[1] It is necessary, however, in dealing with the various economic functions and their resultant interests, to distinguish between those persons who actually participate in the physical processes of creative and distributive work, and those, on the other hand, whose function is to buy material and labor and to sell goods. The former are producers, while the latter are traders. The wage-earning producers are the urban and farm laborers, mechanics, foremen, and superintendents, and clerks in distributive establishments. Their relations to their employers are for the

[1] Seager, p. 107.



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most part impersonal, thus differentiating them from certain other wage-earners, such as those engaged in domestic and personal service. The prime economic function of these workers is production for wages. They do not own the tools with which they work. These tools are owned by other men, are massed in great factories or workshops, and the wage-earners must apply for the privilege of using them in order to live. The interest of these workers begins and ends with production *per se*, and is not directly related, as is that of the manufacturer, the merchant, and the petty handicraftsman, to trade.

Differing in some respects, but yet auxiliary to this class, are the inventors and the experts in applied science. They are true producers, whose creative and utilitive work precedes production and permeates all its processes. Moreover, they are, as a rule, earners of wages. The expert is almost always so, and the inventor generally so. The independent inventor of former years is a disappearing quantity. The inventor of to-day is an employee who must often, in order to earn a living, sign a contract — complacently held valid by our amiable judges — giving over to his employer all rights in any invention made by him during his employ-



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ment. Thus both his function and interest ally him with the proletarians; and his class attitude, as a rule, is the same as theirs.

Class II comprises the Self-employing Producers. These are, in the main, land-holding farmers and handicraftsmen. The farmer, whether renter or owner, is of course a producer, actually participating in the physical processes of creation, and that participation is his main function. But he differs from the employed producer in his possession of capital (land and the tools of production) and in the further fact that what he produces in excess of his needs is sent to the market. To the extent that he is an owner or holder of land and tools he is a capitalist, while to the extent that he markets his products he is specifically a trader. Hence the class mind of the farmer differs from that of the proletarian. It is, as a matter of fact, a mind crowded with contradictory instincts, prompting him to contradictory acts. The wage-earners, out of the direct pressure of their necessities, tend to uniform action and the development of a common will. But the farmers still display a wide diversity of economic tendency. In one place they are found desperately clinging to the trader mind's typical reverence for individualistic, competitive action, and in



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another place are found enthusiastically engaged in forming and maintaining coöperative dairy associations, fruit-growers' combinations, and anti-elevator societies. "Their environment," writes a student of farm life in a recent number of a Western newspaper,[1] "produces in them an intense individualism and independence — and suspicion as well." And though he admits that economic pressure is forcing an increasing number of them to form coöperative societies, he contends that these societies are generally independent of one another and often mutually antagonistic. The representatives of the farmers in the Omaha convention of 1892 unanimously resolved that "the interests of rural and civic labor are the same; their enemies are identical." But it would be too much to say that their political or economic conduct since then has indicated a general conviction of the truth of this declaration. Class instinct among them is but slowly ripening into class consciousness.[2]

Of the handicraftsmen there is little to be said. They are a disappearing class, and the full development of the system of capitalist production must practically eliminate them. They

[1] Article on "A Successful Farmers' Company," *Nebraska Independent* (Lincoln, Neb.), June 23, 1904.

[2] See A. M. Simons, *The American Farmer*.



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are the self-employing producers of commodities furnished directly to the consumer. They were once an important class in the nation; and they are still represented in such branches of industry as boot and shoe mending, tailoring, carpentering, painting, and the like, proportionately more numerous in the villages and smaller cities than in the great centres. But the intensifying organization of production has in recent years made great inroads into their numbers. In a community or urban district where a few years ago there would be, let us say, a dozen scattered handicraftsmen doing odd jobs of a particular kind, there is now to be found an employer with a half-dozen employees doing an equal or greater amount of work. The marked decrease in the number of workmen in several industries, as recorded in the last census, is due largely to this industrial concentration. The class mind of the handicraftsman, it is almost needless to say, differs from that of the proletarian. In him the interest and function of the producer is qualified by the interest and function of the trader.

Class III comprises the Social Servants. In this class are included persons in those occupations which, though not usually directly productive, normally tend to increase the pro-



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ductiveness of the workers, or to minister to their mental, ethical, esthetic, or more prosaic needs, and thereby to foster the general welfare. Such persons are educators, clergymen, physicians, artists, writers, and the employees of public institutions. These persons are social servants not necessarily through altruistic or social motives — for many, indeed, are practically without these — but merely by virtue of the normal function of their occupation. That the normal function of the members of this class is, in individual cases, distorted or violated, is of course true. The economic, and consequently the moral, pressure exerted upon this class by the dominant class is constant and severe; and the tendency of all moral weaklings within it is to conform to what is expected from above. With these it is not truly a social service, but a subservient class service, that is rendered.

There is thus a distinction to be made between the normal, or what may be called the contract, function which is discharged by some members of this class, and the perverted function discharged by others, under the peculiar stress of circumstances. There are clergymen, for instance, who give themselves up to the task of upholding, by word and action, the special views and standards of the trading class, and



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erecting those standards into an ethical code which they seek to impose upon all society. Such clergymen are undoubtedly retainers. But in justice it should be said that to the great majority of the clergy this occupation, however necessitated by economic pressure, is probably not congenial. What *is* congenial to them, what takes most of their time and thought, is the exercise of their normal function — the encouraging and stimulating of the people to be temperate, industrious, honest, and faithful, to hold to the virtues which correspond to the real needs of the people, and the practice of which conduces to economic efficiency. Those clergymen who stimulate such virtues are indisputably social servants. Of two other divisions of this class qualification must also be made. The educators and writers have a normal function of social service. Many of these, however, are retainers of a degraded type, whose greatest activity lies in serving as reflexes of trading-class sentiment and disseminators of trading-class views of life.

Class IV comprises the Traders, in two sub-classes: *a*, manufacturers and dealers in commodities; *b*, financiers. The "captain of industry" is fundamentally a trader. In some cases he exercises the function of actual guide



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and director in production, though usually his share is little more than that of determining in a general way what shall be produced and of selecting and recompensing the salaried persons who act as the real guides and directors. However that might be, and to whatever extent he may serve as the actual determiner of productive processes, he finds his larger economic interest in trade. Primarily he is a dealer — one who buys his material and labor as cheaply as he can and who sells his product as dear as he can. His interest in production is incidental to his interest as a trader. The trader part of his occupation is more strenuous and absorbing than the productive part; it is the man's "business," and he cannot so easily delegate it as he can the direction of processes. It therefore determines his economic conduct and the set of his feeling and thought. Of wholesale and retail merchants it is needless in this place to speak, for their position is obvious. The active financiers are also plainly a component group of the trading class.

Class V comprises the Idle Capitalists. They toil not, nor spin, but they have possessed themselves of a universal agent which reaps rewards for them with the passing of every moment of time. Idle as they are, they



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yet exercise a selective economic function. For in choosing an investment they answer "yes" or "no" to the desire of some industrial captain to enlarge the field of his operation. Their general interests are akin to those of the traders. But in the rent they demand for the use of their capital they have specific interests which are directly antagonistic to the interests of the users of capital.

Class VI comprises the Retainers — those various sorts of persons who are directly responsible to the traders and capitalists, and whose occupations consist in contributing to their comfort or interests. Among these are lawyers, clerks in financial establishments, employees in domestic and personal service, and politicians. There is, of course, a considerable horde of persons in other classes whose bent of mind, along with an individual incidence of the economic stress, makes them retainers; but we are dealing here only with those whose occupations necessarily devote them to economic and moral dependency.

The group of judicial, executive, and law-making public officials presents some of the difficulties which were outlined at the beginning of this chapter. In form these office-holders are chosen, directly or indirectly, by



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the entire people, and nominally their duties are to society as a whole. They should, apparently, be unhesitatingly classed with the social servants. Unfortunately, however, the reality does not correspond to the form. The working of our political mechanism is such that office-holders are in effect chosen by the trading class, and of course for services, past or prospective. As a general thing they fulfil what is expected of them, and to the extent that they do this they are retainers.

But when we analyze their activity into its various phases, we find that some of the functions they perform are distinctly and greatly helpful to the people as a whole. Among these are the restraining of violence, the enforcing of contracts for the payment of wages, the fostering of public education, and the establishing and maintaining of public conveniences and comforts, such as sidewalks, lights, and parks, which are used by all without charge. Some charitably disposed persons might even include in this list the occasional enactment of legislation for the "protection of labor." Such enactments, however, are rightly to be regarded as abnormal, for they are usually wrung from the lawmakers by momentary political terror, and are generally so constructed as to be inef-



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fective; or when they happen to be clearly expressed, they are not infrequently overturned by the judges or overlooked by the administrators. It is enough to say that though the greater part of the activity of public officials is a class function in the interests of the trading class, yet a part of it, and an important part, is directly useful to society as a whole, and that in the performance of the latter sort of service these officials are veritable social servants.

These are the six distinctive economic classes in America to-day. To one or another of them practically every individual that takes part in the struggle for a livelihood is attached by a dominant relationship. Whatever the degree of his kinship to the other classes, there is generally one to which his larger interest is joined, and by whose necessary code, qualified only in certain respects by the code imposed by the ruling class, he governs his economic life. Even the charitable and the philanthropic, who serve the public out of their overplus of wealth — even those who are generous out of meagre incomes — retain, in their relations to a particular means of getting a living, the class standpoint and the class code. None renounces his economic advantage; none by any act de-



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liberately jeopards his main economic interest. Rich or poor — the giver of goods or the giver of service — the individual bears in mind a standard of living to which he would conform. In attaining that standard, and, in the overwhelming number of cases, in securing the overplus that is afterward given away, he exemplifies the impulse of the economic motive, the determining control of the prevailing mode of production, and finally the peculiar direction given to his mental and bodily activities by the special interests of his class.



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## CHAPTER IV

### Class Ethics

The moral sense would seem to have had its origin in the instinct of group safety. The actions of the earliest men were probably almost wholly instinctive, like those of the lower animals. Concepts of right and wrong were as yet unborn. The primal instincts of self-gratification and self-preservation governed nearly all actions, the instinct of group preservation manifesting itself only in times of stress. The lowest tribes of which we have any knowledge, such as the Negritos of the Philippines and the Bushmen of South Africa, pursue an individual search for the smaller and more easily gathered kinds of food, and associate only in securing and sharing the larger kinds, and in attack and defence. "Among the lower races," writes Bücher, "the mere care for one's own existence outweighs all other mental emotions, in fact . . . beside it nothing else is of the least importance." There is observable



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among them a selfishness and hardness of heart which "enables husbands to refuse food to their wives, and fathers to deny it to their hungering children, when they themselves would but feast upon it."[1] The primitive savage is concerned only with himself and with the present.

"When, therefore, many observers reproach him with a boundless egoism, hardness of heart toward his fellows, greed, thievishness, inertness, carelessness with regard to the future, and forgetfulness, it means that sympathy, memory, and reasoning power are still entirely undeveloped."[2]

With the growth of the brain came a slowly and gradually unfolding sense of causes and effects in some of the phenomena of everyday life. The instinct of group safety, developing at the expense of the blinder and more primal instincts of self-gratification and self-preservation, haltingly evolved into a dim consciousness of the need of restraining one set of actions and of fostering an opposite set of actions. Those groups and tribes in which this instinct was best developed, or in which it earliest ripened into a primitive consciousness, waxed strong in numbers and power, while those in

[1] Bücher, pp. 15–16. [2] *Ibid.*, p. 14.



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which it was weakest were eliminated, or left hopelessly behind in the race.[1] This instinct became greatly strengthened through the development of the sense of kinship — of the blood bond.

"There was very little altruism in primitive morality. There was the parental instinct that exists in animals, and there soon came to be an attachment to kindred generally, which can scarcely be detected below the human plane. Still later, as kindred became the group, the attachment became coextensive with the group, but did not extend to other groups, although these may have been merely offshoots from the same group, broken away when the group grew too large to hold together. Still later, when the primitive hordes combined to form clans, there was more or less attachment among all the members of the clan, and the sentiment expanded *pari passu* with the expanding group until the end of the primitive peaceful stage of social development. But it was always a *blood bond*, and the sole basis of adhesion was that of real or fictitious kinship."[2]

[1] Kropotkin's chapter on "Mutual Aid among Savages," though slighting some of the economic and psychologic factors treated by other writers, is particularly instructive on this point.

[2] Ward, p. 187. It is perhaps superfluous to explain that what Professor Ward means by "attachment" between members of the same family group, is to be distinguished from what we have here described as the "instinct of group safety." The latter is manifested in times of stress long before there is any general development of the sense of kinship. In the lower animals the



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Formal customs arose — interdictions of certain acts, compulsory practice of certain other acts — all based on the supposed needs of the group, as understood in the light of the blood bond. The individual might be injured or slain; but such injury or death was a mere tort, which could be settled for.[1] Not so an injury to the clan or tribe, which was punished as a crime. Still later, the obligations based upon the blood bond gave way to the larger considerations made necessary by the interests of the greater community. Thus the first moral standards were bound up in considerations, however dimly held, of the security of the community, group, or horde.

sense of kinship, except transitorily in the case of mother and offspring, is notoriously weak; yet the instinct of group safety is strikingly illustrated in the conduct of many species. "It is not love, and not even sympathy (understood in its proper sense)," writes Kropotkin, "which induces a herd of ruminants or of horses to form a ring in order to resist an attack of wolves; not love which induces wolves to form a pack for hunting. . . . It is a feeling infinitely wider than love or personal sympathy — an instinct that has been slowly developed among animals and men in the course of an extremely long evolution, and which has taught animals and men alike the force they can borrow from the practice of mutual aid and support." *Mutual Aid*, p. 13.

[1] The general subject of property reparation for injury or death has been exhaustively treated by Sir Henry Maine and others. For an interesting passage applying to the Greeks of the Homeric age, see H. S. Keller, *Homeric Society*, p. 283 and following.



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## I

During the long struggle of races and the subsequent and yet continuing struggle of classes, these customs, sanctions, and restraints have gradually evolved into ethical codes. Always and everywhere these codes have developed, for the most part automatically, in accord with the supposed specific needs of the group, section, or race which adhered to them. All the tribal codes embodied what Dr. Edward A. Ross, following Dr. D. G. Brinton, calls an ethical dualism. There was one set of precepts for the tribe, another set for those not of the tribe.

"All tribal religions preach a dualism of ethics, one for the members of the tribe who are bound together by ties of kinship and by union to preserve existence, and the other for the rest of the world. To the former are due aid, kindness, justice, truth, and fair dealing; to the latter enmity, hatred, injury, falsehood, and deceit. The latter is just as much a duty as the former, and is just as positively enjoined by both religion and tribal law."[1]

So long as the tribe was homogeneous, with the same gods, the same customs, and in the main the same economic interests, this ethical

[1] D. G. Brinton, *The Religion of Primitive Peoples*, p. 228.



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dualism remained sharply defined. But with the blending of tribes into the larger organizations, its grosser features tended to decline. The expansion of mutual interests necessarily evolved more reciprocal codes. But the change toward an increasing organization of society involved also a differentiation of interests; and the various codes, reflecting this change, passed from a dualistic to a complex phase, and came to express the varied relations and duties of the individual to his family, his specific group and his clan. The differentiation of employments brought other changes. Masses of men working in common, or when isolated working under like conditions, develop one set of beliefs of what is right and wrong; priests and warriors, clerks and reeves, with different functions and interests, still other beliefs. And though, everywhere and always, some general code, according with the economic and political needs of the dominant class, is sought to be imposed, it is resisted, or at the best is but imperfectly blended with that which is naturally evolved out of the conditions of daily labor.

Class instinct is the modern form of group instinct. The economic interests of a group of primitive men were homogeneous. The antagonisms of such a group were thus necessarily



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directed against external forces. But the industrialization of the world, in sharply defining the functions and interests of economic classes, has transferred these antagonisms to warring sections *within* the community. Whether or not he recognizes the existence of class, the worker instinctively feels that certain standards and certain practices accord with his interests, not as an individual, but as a worker; and he seeks, in so far as he may, to live by them, against all the world. The physician or the tradesman, though he never heard of an economic class, has the same feeling—and his conduct exemplifies his belief.

A set of ethical notions, a code of ethical precepts, based on particular modes of industry or service or other means of income, thus develops in each class; and the conscience of the individual, plastic to this material pressure, sanctions the acts which are supposedly needful for self-advantage. Financier, retainer, social servant, producer, trader — each of these has his specific code. Among these codes there are certain general resemblances, since all develop under the same system of production and distribution, and since all those of the subordinate classes are influenced more or less by the code which the ruling class always seeks to impose.



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But they differ in special features in accord with the necessary antagonisms of class interest and function.

## II

Class differences do not, as it is hardly necessary to admit, explain all human antagonisms. Many of these are based on ideological factors, and though such factors may in turn generally be traced to material bases, they may conveniently be considered, for any particular time and place, as truly ideological. Society has become differentiated, not only into economic classes, but into political states and religious sects; and this differentiation has brought about a complex web of interests and a consequent complexity of ethical standards. The average man acts, under certain circumstances, with regard to his religion, under other circumstances with regard to his state or government or political party. But it is his primary interest — his interest connected with the economic class to which he belongs — which determines the general cast of his thinking, which modifies or even entirely negatives his acceptance of the ethical code embodied in his professed religion, and which determines the general range and character of his actions.



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The storekeeper, for instance, may be Catholic, Protestant, Jew, or agnostic. He may be Republican, Democrat, Prohibitionist, or Populist. But it is not observable that these ideological differences cause any striking dissimilarities in his methods of carrying on business. If cheaper prices and better merchandise are to be found in stores where Gamaliel or Hillel, rather than John Calvin or Pius X or Thomas Paine, is reverenced, the fact bears but small relation to the religious or philosophical creed of the trader. Class interest and function determine his business conduct, and the slight differences discoverable in the mode are traceable only to the personal equation — to differences in forethought, energy, and skill in bargaining. Further, it must be said that the larger creeds themselves take on a hue and character determined by the prevailing form of production and the nature of class relations; and that whatever the claim for these creeds — of divine origin, of universal applicability, of immutable validity — they change inevitably from age to age in accord with their economic environment.

How it has happened that, despite the eternal warfare of communities and classes, ethical codes intended for universal application have



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been formulated and insistently preached, we need not here discuss. It is certain that for more than two millenniums philosophers, teachers of religion, and others somewhat removed from the pressure of the class struggle, have sought to instil into mankind a more perfect ethics, a moral code uncircumscribed by sectional interest. But though the effect of such teaching has been a modification to some slight extent of the fratricidal struggle among mankind, the ideal sought is an utter futility so long as individualist competition for the means of life, however altered or refined, continues. That mode of production and distribution compels the segregation of men into classes and the waging of a class struggle for the means of life, and that struggle determines the ethical concepts and practices of the combatants.

## III

The paramount economic interest of a class thus becomes the basis of the conscience of the individuals composing that class. The conscience of the wage-earning producer justifies or approves a set of actions which to the trader are vicious and unfair. No less vicious and unfair appear to the producers many of the acts



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of the traders. A thousand and one deceptive devices for inducing a customer to buy are practised by traders of marked religiosity, without a thought of any infringement of the moral law. The degree to which the adulteration of staple goods and the substitution of inferior goods has grown in the world's markets appeals to all classes except those of the traders and fabricators as something monstrous, yet to many, if not most, of the members of these latter classes, such acts are not only justifiable but emulatory, and the threatened intervention of the state in behalf of pure food and drugs, honest fabrics, and "unsophisticated" merchandise generally is looked upon as oppressive and confiscatory.

Even traders who have developed or absorbed some general concept of social ethics are able, without violence to their consciences, to justify substitution and adulteration. As any well-informed person knows, the practice of substituting inferior and harmful drugs has become common in late years, at least in the cities. A recent investigation in New York City showed that three hundred and fifteen out of three hundred and seventy-three druggists to whom prescriptions for phenacetin were presented supplied instead an adulterated drug or a substitute.



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Yet when, a year ago, an attempt was made to remedy evils of this kind by a law compelling the filling of prescriptions by the drugs called for, the legislation was bitterly fought. The argument on which the druggists staked their cause was a social and ethical one. It was that physicians are notoriously careless, or at least absent-minded, and often prescribe strychnine for quinine, or perhaps prussic acid for boracic acid. Therefore, were the option and discretion of the druggists as to what should be put in a prescription to be taken from them, the result would be a wholesale poisoning of the community. The argument was pressed home with every asseveration of devotion to the community's welfare, and the Solons at Albany declined to pass the bill.

It would be idle to say in behalf of the trader who substitutes or adulterates that he is merely imitating his fellows, for some traders must take the initiative, and many must resort to the practice without knowledge of the actions of their fellows. It would be equally idle to charge him with the conscious wish to cheat, since there are really but few persons who can make this admission to themselves; still more idle to charge that he is consciously willing to jeopard another's life. He substitutes because



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his economic function and interest are to make profit, and because such substitution is an easy and practicable means of profit-making. His class conscience minimizes the known evils of a particular action, and emphasizes only the expectant benefits to himself. The expectation of profit is perhaps the most powerful of all known solvents of ethical standards.

## IV

The beliefs which a class holds, as a result of its economic relations, are generally sincere beliefs, and are held, in the main, unconsciously of their determining cause. There is a spiritual alchemy which transmutes the base metal of self-interest into the gold of conscience; the transmutation is real, and the resulting frame of mind is not hypocrisy, but conscience. It is a class conscience, and therefore partial and imperfect, having little to do with absolute ethics. But partial and imperfect as it is, it is generally sincere. It is most obviously so among those of the two extreme classes who battle for advantage from such opposite bases. Members of the same community, of the same political party, perhaps of the same secret society, taught by the same teachers, informed by the



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same newspapers, enrolled (let us imagine) in the same church, the employer and the employee will yet differ diametrically on ethical questions of material interest, and do it honestly. For the code of each is based upon things more fundamental than ideas or sentiments. It is based upon the economic life.

But the class conscience may also be honest in the person of the social servant who, blind to his real mission and his right function, preaches or teaches the class ethics of the rulers as a social code obligatory upon all. When, for example, a respected expounder of the creed of the Nazarene carpenter tells the public with solemn face that the great enemies of the freedom of the country are those who would forbid a man to sell his labor for such price as he is compelled to accept — in brief, the labor unionists — the statement is, or may be, a conscientious judgment. Such a teacher may be honest; he may really believe this to be a self-sustaining proposition; he may be quite unconscious that the main cause of his holding this belief is the fact that he never was a producer, never had any consciousness of the pressing needs of the producers as a class, and therefore never had any of the kind



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of ethical feeling which that consciousness produces.

Such a teacher is a retainer, even if an unconscious one; and it is his retainer conscience which finds quick and sharp expression when he sees the "liberty" of the one man interfered with in behalf of the interests of the group of which that man is a part. His conscience, a reflex of the trader conscience, cannot interpret liberty in any other than the negative, eighteenth-century sense, because so interpreted and actualized it best accords with the interests of the employing class. Such a conscience cannot understand by the term the "positive power or capacity" which each man exercises or holds "through the help or security given him by his fellow-men, and which he in turn helps to secure for them."[1] All that such a conscience understands by the term, in this connection, is a vague harmony with a nebulous principle learned in earlier days. That actually the term means, in this application, the potential license of the industrial freebooter to drag down the whole body of wage-earners by working for less wages and under meaner conditions than will satisfy the rest, does not penetrate the retainer

[1] Thomas Hill Green, *Essay on Liberal Legislation and Freedom of Contract.*



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conscience. His belief is a class belief, arising out of his manner of earning a living, which involves a greater or less assimilation of trading-class views of life.

## V

And yet it must be said that it requires a certain strain upon the ordinary usage of words, to describe such teaching as "honest." A capitalist might conscientiously hold that low wages, long hours, child labor, unguarded machinery, the open shop, unrestricted output, and Chinese immigration are all for the best interests of the state. They are, or are conceived to be, for his own best interests; and identifying his own interests with those of society at large, as he generally does, it is entirely possible that he should sincerely hold to such anti-social views. The mass of capitalists, in every decade of the last century, bitterly fought the state's increasing assumption of control over industry in behalf of the helpless; did it, as they are doing it to-day, with candor and sincerity, with a belief that the special interests of business were the most vital interests of society, and that therefore they were to be fostered, even though human lives were snuffed



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out by the thousands in all the mines and workshops of the land.

But the minister, the teacher, or the writer professes a social service. He assumes an attitude beyond and above the special interests of class. Rightly, it may be said that it is to his economic interest to preach and teach the special ethics of the traders; that the good jobs go to those who are most eloquent, insistent, and thorough-going in expounding such ethics, while the poorer jobs or no jobs at all go to those who are most backward or slow-witted in such exposition. But for all that, such teaching is a contradiction of his professed mission. His tacit contract with society obliges him to serve as a disseminator of learning, or as a stimulator of social virtues. Generally he is a man of education and experience. He has eaten of the tree of knowledge, and knows, or ought to know, good from evil. When, therefore, he serves merely as a reflector of upper-class ethics, as an encourager of profit-hunger and a suborner of treachery and betrayal among the working class, he perverts his contractual function to society.

In every age he has, as a general thing, discharged just this subservient class function. Whatever the form of his religious or philo-



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sophical creed, he has moulded his hortatory ethics to the fashion of the special requirements of the dominant class. In particular times, when great social and industrial movements making for revolutionary changes in conditions have been under way, the conduct of this group has sometimes borne the appearance of wholesale prostitution. Let one take, for instance, the well-known period of agitation for the education and factory acts in England. The rise of the manufacturing interests brought forth a swarm of economists, ministers, and other publicists, the general mass of whose teachings was a pure reflex of the code developed by the factory lords.[1] Though the unspeakable horrors of factory life at the time were known far and wide, the instructors of the people were almost a unit against interference, and it was only through the intervention of the landed aristocracy, a class jealous of the manufacturers, that a change was brought about. The economists, whom Sadler, the Tory leader, described as "the pests of society and the persecutors of the poor,"

[1] For an able and convincing statement of the class attitudes of some of the economists of the time, see John R. Commons, "Discussion of the President's Address," *Proceedings of the Twelfth Annual Meeting of the American Economic Association.*



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were nearly all, with the exception of Malthus and McCulloch, bitterly hostile to the factory acts.[1] It was Nassau W. Senior, the first professor of political economy at Oxford, who discovered, in 1836, for the benefit of the Manchester manufacturers, that all factory profits were made in the last hour of the working day; and that the reduction of the day (then eleven and a half hours long) by this one hour would paralyze the great industries of England.[2] The list of publicists who opposed these humane and necessary acts includes Bright, Cobden, Bowring, Roebuck, and Joseph Hume. Even so just a man as John Stuart Mill, though he could recognize the pressure of upper-class morality on the subordinate classes, was himself sufficiently under the spell to oppose the factory acts except as to the provisions relating to children.

The vicars of the lowly Nazarene were, for the most part, in the same class. Certain of the High Church clergy spoke out for the factory victims, but the evangelicals, non-conformists, and independents generally sided with the factory lords.

[1] Leslie Stephen, *The Utilitarians*, Vol. III, pp. 172–176.

[2] See Karl Marx, *Capital*, Part III, Chapter IX, section 3, for an inimitable characterization of Senior's plea.



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"Shaftesbury complained that he could not get the evangelicals to take up the factory movement. They had been the mainstay of the anti-slavery movement,[1] but they did not seem to be troubled about white slavery. The reason, no doubt, was obvious: the evangelicals were mainly of the middle class, and class prejudices were too strong for the appeals to religious principles."[2]

A like attitude, a reflex of the upper-class attitude, was taken by the great mass of the instructors of the public during the early period of the movement for an education act. Here, however, the Utilitarian economists were at loggerheads with the other publicists. For while they could look philosophically upon the worse than Herodian slaughter of the innocents in the factories, they could yet stand for certain provisions for the education of the masses. But the non-Utilitarian publicists were for the most part antagonistic, and though the Whitbread bill was introduced in 1807, it was not until after the Reform bill (1832) that even the beginnings of national aid in education could be carried against this opposition, and not until 1870 that anything approaching an adequate act was passed. The distinguished

[1] It did not conflict with their economic interests.

[2] Stephen, Vol. III, p. 178.



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clergyman and educator, Dr. Andrew Bell, could write in explanation of the plea that the Whitbread bill was not revolutionary or dangerous: —

"It is not proposed that the children of the poor be educated in an expensive manner, or even taught to write and cipher. . . . There is a risk of elevating, by an indiscriminate education, the minds of those doomed to the drudgery of daily labor above their condition, and thereby rendering them discontented and unhappy in their lot. It may suffice to teach the generality, on an economical plan, to read their Bibles and understand the doctrines of our holy religion."

The famous writer and cleric, Hannah More, considered a radical in her day, also illustrates the temper of her class by her declaration that "she wished the poor to be able to read their Bibles and to be qualified for domestic duties, but not to write or to be enabled to read Tom Paine, or be encouraged to rise above their position." And the great literary light of the Whigs, Dr. Parr, argued "that the poor ought to be taught, but admitted that the enterprise had its limits. The 'Deity Himself had fixed a great gulf between them [selves] and the poor.'"[1]

[1] Stephen, Vol. I, p. 111.



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## VI

All this was of England, says the patriotic American, and did not and could not have happened in our own land. True; but if the exhortations of the earlier American preachers and publicists reveal less opposition to factory acts than did those of their English contemporaries, it is for the excellent reason that there was no factory-reform movement for them to oppose, and that was because there were few or no factories. And if again they were more favorable to popular education than were their English contemporaries, it was because, among other things, the weaker organization of industry in America did not necessitate, or seem to necessitate, the existence of a large class of illiterate and helpless proletarians. The peculiarly individualistic structure of American industrial society in the earlier days, wherein every unit was a possible competitor with every other, made the equipment of at least a moderate education a valuable asset both to the individual and the nation. The ruling class, who at first were the landed aristocracy, and at a later time a junta of tradesmen and planters, saw no particular harm, and perhaps some



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good, in education for the masses, and (at least after Jefferson's time) did not generally oppose it; and the instructors of the people, under no spell of adverse influences from above, for the time maintained a true social service and heartily supported universal education.

The first factory reform agitation in the United States was coincident with the first working-class movement, roughly from 1826 to 1834. It received no aid whatever, so far as is now known, from the class of persons here designated as social servants. The movement of 1841–1848, however, was led by certain members of this class. It began in a blaze of sentiment, and died out when that sentiment was extinguished. It marked the one time in the history of our people when a considerable number of the class of social servants allied themselves openly and enthusiastically with the cause of the workers. If in any time when the issue was sharply defined they have stood, as a class, for neither workers nor employers, but for an ideal embracing the interests of all society, the precise period is not ascertainable. In practically all times the natural promptings arising from the nature of their function have



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been overborne by the pressure of ruling-class influences.

In this day one may inerrantly prophesy what theme will next be heard dominant in the chorus arising from pulpit, chair, and sanctum, by learning what thing it is that the trading class next demands for the protection or fostering of its interests. The righteousness of the open shop, the injustice of a restricted output, the criminal imposture of the union label, the moral heroism of the "scab," though occasionally voiced by some of the more pronounced retainers, were unapprehended concepts to the average publicist until recently pointed out to them by the manufacturers. The lawlessness of capital in every phase of its activity, the particular lawlessness and brutality now prevalent in Colorado, are clothed in an impenetrable veil to the eyes of the "safe" preacher, the "conservative" economist, and the "sane" press-writer; but the slightest infraction of the law by a striking workman is seen by them as with an X-ray.

This type of social servant — the minister, teacher, or writer — is thus one whose contractual function to society is usually, though not invariably, perverted to a special class service. He may be "honest," in that he follows



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his economic interest, as do the members of other classes; but in that he constantly assumes a social attitude and at the same time serves a subservient class function, he is at the best a contradiction, and at the worst — let us say, a charlatan.



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# CHAPTER V

## Ethics of the Producers

### I

Among producers two fundamental moral convictions have arisen and gained general acceptance. They are the ethic of usefulness and the ethic of fellowship. The ethic of usefulness is held among all kinds of producers, farmers as well as employees, and is of ancient standing; while the ethic of fellowship, though it has sporadically developed among peasants, serfs, and laborers in all times, has reached its completest expression only among the modern proletariat, and has become widespread only in this century.

The ethic of usefulness is the conviction that work of social value is the only title to income. "He that will not work, neither shall he eat," is its expression: only he that does his part in the needful toil of the world may rightly enjoy a share in the harvest. It is characteristically a proletarian ethic, no matter



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by whom first uttered or where found; for it gains its most general acceptance among the landless and toolless producers.

The ethic of fellowship is the conviction of the duty of friendly association and collective effort for mutual benefit. It is an outgrowth of group gregariousness, first instinctive, then emotionalized, then reasoned. The units of even the non-fraternal classes manifest an approximation to this ethic when class interests are threatened, even though in the internal affairs of these classes, in the struggle of individual against individual, it is unapprehended and unfelt. The shrewd trader may sell borated beef or sophisticated coffee to his fellow-trader, if he can, with an untroubled conscience and a joyous sense of the freedom of commerce; but should interests common to himself and his class fellow be threatened, at least some sordid reflex or primitive forerunner of this ethic is instantly stimulated into action. Of such a nature are the various mergers, communities of interest, pools, gentlemen's agreements, and the like, of which the great speculators in the means of the people's life give us so many modern instances. While the individual battle proceeds merrily and not too disastrously to the chief combatants, there is



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small tendency to associate; only when the conflict threatens general demoralization does the tendency awaken. It embodies no feeling of fellowship, in the higher ethical sense; no concept of fraternity or of social good, hardly even of class good. The association is simply that of individuals of a particular and narrow interest for immediate individual advantage. It is only among the proletarians and their predecessors in the historic struggles of the world, and even then, as a general thing, only among those organized, that this ethic of fellowship has thus far developed into a force which has sensibly restrained the fratricidal struggle of individuals.

"The assertion is here ventured that no intelligent man has ever mingled among business men and union workmen without being impressed by the immeasurable difference in the codes of conduct of these two classes. Among union workmen, trained in the spirit and practice of fellowship, there has been developed a code of the nicest particularity affecting every detail of their business relationship. In every shop, but more conspicuously in those shops where piecework is done, there is an established, though frequently amended code, intended to guard against every possible infringement of one another's rights. It involves [the restraint of] actions, which, to an outsider, would seem infinitely petty; yet to



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the workers even the pettiest of these restrictions are important, since they promote justice." [1]

The insistence by trade-unions and other labor societies on full normal pay for their less efficient members — a policy harshly criticised by the trader conscience — is a further manifestation of this ethic of fellowship; and above all is the position voiced in the common adage of organized workmen, "An injury to one is the concern of all."

Out of these two ethics — the ethic of usefulness and the ethic of fellowship — slowly arises the concept of a moral law of economic solidarity. Solidarity is defined by the *Century Dictionary* as the "mutual responsibility existing between two or more persons; communion of interests and responsibilities." This law demands that all men shall be useful workers, that no man shall take any advantage at the expense of another, and that all such useful workers shall stand together for the welfare of all. It is a law the full scope and bearing of which are doubtless but dimly apprehended, except by the few; but its recognition becomes more general with the awakening consciousness on the part of the producers of their actual status and their destined mission. It is a law which is first ap-

[1] From an article, "The Progress of the Future," in *Success*, September, 1903.



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prehended in its inchoate state as a feeling, — a feeling arising naturally out of the way in which the producers make their living and their observation of the way in which the units of other classes make their living. In its next stage, that which is now forming, it is a definite principle of conscience. It will mark yet another stage when the consciousness of the producers sufficiently awakens to enable them to assert their full power. That other and final stage will be the embodiment of this law in the industrial and social system of the nation.

It is not a new law; it is the law of the New Testament and of ethical teachers in many ages and among many peoples. But it has never become the recognized law of any nation, because never yet has the economic class which alone holds to it, been in a position to feel entirely sure itself of the validity of its instinct, still less to impose it upon an entire people as the central principle of a nation's social life. It can become an institutional law only by the awakening in the minds of the socially useful classes of a recognition of their actual status and their exact relationship to the socially *useless* classes. Out of this recognition will inevitably come the conquest by the ballot of the political powers and the abolition of all the parasitical classes.



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## II

That the conscience of the wage-earning producer sanctions certain acts which are socially harmful is an allegation insistently made by the traders, and yet more insistently by their retainers. Such charges — at least to the extent that the producer actually does socially harmful acts, whether or not his conscience approves — form the burden of the frequent pronunciamentos of the head of the National Association of Manufacturers; of the moral disquisitions of a large number of ministers; of juridical utterances of a large number of lawyers and judges, and of the occasional public utterances of such eminent defenders of the present régime as ex-Assistant Attorney General James M. Beck[1] and President Charles W. Eliot of Harvard University. The alleged actions of union miners during the anthracite coal strike of 1902 touched to the quick the sense of righteousness of traders and retainers throughout the country. This sense of righteousness, it may be noted in passing, lay dormant enough so long as the railway and coal companies violated hourly the

[1] See particularly his address before the Holland Society, New York City, January 20, 1904.



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Sherman act and the constitution of Pennsylvania; so long as they employed child labor, reduced wages, weighed the miners' product falsely, compelled the miners to buy goods at the "pluck-me" stores of the companies, and forced out of business certain independent operators of an unsubmissive turn of mind. But it was stung into immediate and sharp expression on hearing that certain union miners had used violence against men who had taken their places.

The typical expression of this sort may perhaps be found in the sermon delivered by the Rev. Dr. Newell Dwight Hillis in Plymouth Church, Brooklyn, on November 9, 1902. It was called, in full, "National Righteousness and Justice, with an Outlook upon Labor's Hatred of Labor, and a Plea for the Poor and Weak." A careful perusal of the *Times* report of this justly famous sermon reveals little justification for so extensive and comprehensive a title. The central clause, "Labor's Hatred of Labor," meaning the disposition of the union man to oppress the non-union man, expresses its main burden. There is contained in it, of course, the conventional praise of the union "when rightly conducted." Some years ago even this concession would have been impossible in such a sermon.



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But it has now become a stock formula with which every denunciator of labor unions must preface his assault, in order to assume the judicial bearing. The good doctor said, among other things: —

"The disquieting feature of the situation is the suspicion, the distrust, and the bitter hatred which produced the strike, and which now lie smouldering, like quiescent fires, needing time only to produce another industrial war. Time can recover the industrial losses, but the feuds in the coal-fields, the bitterness between union and non-union men, the uncompromising hatred, have inflicted wounds which only death can heal. . . .

"Organized capital has deserted non-union men. Organized labor maltreats them. And just as 100 soldiers, organized and with a leader, can scatter a crowd of 10,000, so the 20 men out of 100 representing organized labor terrorize and browbeat the 80 non-union men, who are being driven lower, made more and more ignorant, more poverty-stricken, until at last, in their despair, they are ready to turn against the capitalist who will not defend them, and the union men who maltreat them, and the country, the protection of whose laws are refused them. . . .

"For every twenty union men and their families there are eighty non-union men with their families. These laboring men may hate capitalists, but labor's hatred for labor burns like a flame, eats like nitric acid, is malignant beyond all description.



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"Oh, the bitterness with which labor pursues, not wicked capital, but poor and helpless labor!"

Labor's defiance of the law — this is the main count in the indictment. And by whom, as a rule, is this charge pressed? By those who live on the bounty, however indirectly given, of the men whose defiance of the law is deliberate, shameless, and constant — not like the spontaneous and irresponsible act of the man goaded to desperation on seeing another taking his job from him, but studied, planned, organized, and carried on year after year, often, if not generally, by the aid of lawyers and judges, through the mechanism of the law itself.

An ethical teacher who condemns the men of one class for acts which those of another class may do uncondemned by him, is a teacher not of social ethics, but of class ethics. He is, moreover, as a rule, a teacher not of the natural ethics of his own class, but of the exploitative ethics of a dominant class, in support of whose interests he discharges the function of a retainer.

It is true that the striking workman is sometimes lawless. But if it can be shown that his occasional lawless acts are matched or exceeded by acts of men of other classes, something is



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afforded, not in excuse perhaps, but at least in mitigation of sentence.[1] Now, infractions of the law, it must be stated, are not uncommon in America. The Europeans are wont to look upon us as a particularly lawless people; and even our own publicists, in times of truce between labor and capital, are sometimes enabled to see further than the lawless acts of workmen and to apply the charge to our people as a whole. Ambassador Bayard, some years ago, told the school children of Boston, England, that we were a factious and turbulent people, and that it required the firm hand and strong will of a man like Mr. Grover Cleveland to hold us down. The high authority of the United States Senate was employed, it is true, in the reversal of this judgment, and the censuring of Mr. Bayard. But it is to be feared that its action was due less to a conviction of the heresy of the judgment than to a lawless desire to do hurt to Mr. Cleveland.

Perhaps no class or part of the population is entirely exempt from occasional infractions of the law. If one examines the evidence in the late Mr. Henry D. Lloyd's *Wealth Against*

[1] A considerable part of the remainder of this chapter has been previously published. (*The Bricklayer and Mason*, New York, June, 1903.)



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*Commonwealth*, he will find that men very eminent, very religious, the founders of universities and the builders of churches, may indulge in such sprightly activities as the blowing up of a competitor's refinery, or of openly violating every law and court order which is found to be in the remotest way objectionable. In a neighboring state one will find certain railroad companies mining coal in defiance of a state constitution, employing children in defiance of a statute, and docking coal from the miners' product in defiance of the eighth commandment, not to speak of statutory inhibitions and the decision of Commissioner Wright. It is true that divine sanction is claimed for these acts; for the chief of the doers appeals to a higher law, and asserts for himself and his comrades a vicegerency of God; but the claim is not yet universally accepted, and the deeds are thus (humanly speaking) lawless.

In nearly every state where factory acts have sought to give some protection to employed workmen, an observer will find the most impudent violations. It is about the same with the railroads. The Interstate Commerce Commission, in its report for 1901, declared that the decision of the United States Supreme Court in the Trans-Missouri case and the Joint Traffic



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Association case had produced no practical effect upon the railway operations of the country. "Pools and agreements exist now, as they did before these decisions, and with the same general effect." Practically all transportation companies habitually transgress the law. The frightful *General Slocum* disaster, with its nine hundred dead, was made possible only by a studied violation of every legal provision for the safeguarding of life on passenger steamboats.

Bribery is lawlessness — a kind of lawlessness freighted with far more peril to the republic than any violence of striking workmen. And yet it is practised hourly, daily, by the pillars of religion and society, the men from whose lips is heard so unctuously the appeal to law and order. Bribe-money is put forth as a business investment in our municipal assemblies, our courts, our state assemblies, and even in Congress. It is not too much to say that the bribery fund (though of course it appears under some other and more euphemistic name) is a regular account in the fiscal affairs of every corporation having a quasi-public character, and of all the important ones of a private character. It is interesting to note, for instance, that though the product value of the private gas plants of the nation increased during the last



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decade by only 32.9 per cent, yet the expenses under the somewhat mysterious entry, "advertising, interest, insurance, repairs, and other sundry expenses," increased by 74.8 per cent. There is no doubt as to what this means; nor can any one well doubt, from the study of recent developments in New York, Philadelphia, Pittsburg, St. Louis, New Orleans, and Grand Rapids, the enormous growth and general prevalence of this worst form of lawlessness — bribery.

The more violent forms of violence are not absent from the daily life of the nation. Mob law in the punishment of offenders is resorted to — frequently in the North and West, more frequently in the South. In the Far West there is a frequently recurring civil war between sheep-herders and cattle-herders, accompanied with enormous slaughter of dumb animals, and not infrequently the killing of human beings. Then, too, in certain parts of the West, when times grow too peaceable and monotonous, a county-seat war breaks out, and scores of supporters of the rival towns give battle for supremacy. When one of the Southern communities desires to rid itself of a negro postmistress, it takes small counsel either of Washington or of the statutes in compelling



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her to leave. And whenever, in this broad land, two railroad companies determine to occupy the same right of way, or one determines to cross the line of another, willy-nilly, there is usually a resort to the use of lawless force.

There are then uprisings of an entire community to chronicle. The coal strike of 1902 revealed a number of instances of how quickly a people's reverence for law becomes exhausted when the pinch comes home to it. The prominent citizens of Arcola, Ill., including town officials, lawyers, ministers, and other conventional upholders of law and order, saw no wrong in holding up a coal train and seizing its contents; and a number of other communities gayly but determinedly followed their example. Within the last year three cities in the Middle West (one each in Indiana, Ohio, and Illinois) have been given over to mob violence and a defiance of the law; while in the state of Colorado mobs of well-to-do citizens have forcibly removed public officials from office, assaulted, imprisoned, and deported innocent men, destroyed their possessions, and prevented the supplying of food to hungry women and children.

Submissiveness to the law is a variable atti-



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tude, depending largely on the rigor with which the law bears upon a people, its interests and its desires. The potentialities for law-breaking that reside in a race, a community, an individual, may be safely set down as infinite. Most men are perhaps inclined to some degree of lawlessness, when it suits their desires or their interests; and even with the docile it is required only that the provocation be extreme, and that all or most extenuating circumstances be absent. The meekest of men may be incited to fisticuffs, and the gentlest of women, if our newspapers are to be believed, have been known to cowhide refractory men and to pluck handfuls of hair from their rivals' locks.

That acts of lawlessness, both individual and collective, on the part of union men have occurred, need not be denied. The evidence, unfortunately, is clear. The degree of this lawlessness is, however, almost invariably exaggerated in the press. The press has two important functions — to provide interesting reading and to support the employing class; and both of these functions are served by dilating upon the so-called "outrages" of strikers. Most of the charges regarding violence in the coal district in 1902 were proved false on the witness stand; and Mr. Mitchell's challenge to



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the operators to prove the statements made by them to President Roosevelt regarding lawlessness was never accepted. Much has been said of the turbulence of the miners in the Cœur d'Alene district of Idaho five years ago; but rarely has anything been heard of the brutality and lawlessness of the United States army — their assaults on unarmed and often innocent men, their transformation of a detention camp into a modern Andersonville, their open avowal of a determination to break up the miners' union. The railway strike of 1894 occasioned great turbulence in Chicago. Some of this was unquestionably due to strikers, but the evidence would seem to be conclusive that in some part it was due to an unruly element of the population, always ready for a riot, and that much of it was due to the so-called United States marshals in the employ of the railroad companies. The so-called riot at Hazelton, Pa., a few years ago, resolved itself, under investigation, into a causeless and deliberate shooting down of unarmed men by a sheriff's guard. A conventional instance of the manner in which the cause of striking workmen is maliciously misrepresented has recently been given by Miss Teller, in *The Ethical Record:* —



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"In an early February issue of *Collier's Weekly* there appeared an unsigned article dealing particularly with the strike in Telluride, Col. If the story had been intended for fiction of the dime novel sort, it could not have been better written. For instance, the writer said that in the last three years there had been eighty-five murders in Telluride, and that men were afraid to go out after dark. While in Telluride a few weeks before this, I had cross-examined the city attorney, the sheriff, and the back files of the leading paper, and proved to my satisfaction that in spite of the town being a typical Western mining-camp, there had been but three murders in three years, and not one of them could be traced to union members or union influence."[1]

It is not to be supposed that this libel will be retracted by its author. It is the kind of libel which is written, published, and circulated for the purpose of influencing public opinion against striking workmen. The purpose gained, there is nothing more to be done, unless to provide fresh libels; a retraction would be inconsistent with trading-class morality.

The grosser forms of lawlessness into which union men are sometimes led are the result of specific provocation under intolerable conditions. The first thing to be considered is this: that the fundamental fact of life is the bread-

[1] Charlotte Teller, *The Ethical Record*, July, 1904.



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and-butter interest. It is the securing of the necessary basis of existence that must form, as things are now managed, the vital and dominant consideration of nine-tenths of the nation's denizens. All over the nation the struggle for a livelihood continues, without cessation, without respite; and it is everywhere attended with violations of law, whether that lawlessness be the violence of a dispossessed workman or the thousand and one evasions and infractions which attend the management of industry and commerce. The struggle between masters and men, in Mr. Lloyd's phrase, is a sphere of conflict which society has so far failed to organize; and until it is organized, the present character of the conflict must continue.

But there is a clear distinction between the violations of law on the part of workmen and those on the part of employers. The employer's lawlessness is provoked by no personal wrong, or prompted by no stirring of an instinct of group fellowship. It is due to an individual prompting to exploit his advantage to the utmost; to get more out of his monopoly or privilege than the law allows, to increase the taxing power he holds over his fellow-beings. His lawlessness is a blow at society as a whole, and at institutions of which he and his fellows



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are the moulders, and professed upholders. It is an injury to the members of his own class, as well as to those of all other classes. It has no justification in either class or social ethics, but is brigandage pure and simple.

The striking workman is the representative of another creed and another spirit. First, as to his status: He has no tools of his own. The development of industry has transformed the tool into a powerful machine, permanently stationed in mill and factory. Unpossessed with tools, the workman must go to the owner of the machine and apply for the chance to use his muscle-power and skill. He is employed, and he sets to work to produce commodities for general sale. He does not receive in wages the value of what he produces. Much must be taken out for the food and clothing, the travel, the education, and the entertainment of the owner and the manager, the capitalist who supplies the money, the landlord who owns the land, a horde of intermediaries, including hundreds of thousands of needless township, city, state, and government officials, and the wives, sons, and daughters of all of them. Out of every commodity that he produces, a fraction of value must be taken for each of those who live idly, or at least uselessly, upon his labor.



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Each day of his toil has taken something of his body and brain and transferred it to the commodities which are produced and to the plant of which he is a part. Gradually he establishes a relationship with the plant, which, in social justice, is not terminable at the whim or caprice of some petty exploiter, but a relationship bound up in the life of the plant itself. He has invested, though compulsorily, his surplus in the mechanism of the establishment, just as the provider of the original capital has done. The value of his labor, over and above what he receives in wages and his share of the operating and supervisional expenses, has been withheld from him and incorporated into the plant, or expended for the uses of the persons who live off it, and constitutes a holding to which his title is morally unassailable.

This workman recognizes a community of interest with his fellows, and of all men who toil for the profit of others. He joins them in their union, he makes such sacrifices for the common good as are mutually agreed upon to be necessary, and he joins in the demands made upon his employer for more equitable conditions. It is a collective and not an individual cause for which he strives, for he looks upon himself as a mere unit in a great fellowship.



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Failing in this demand upon his employer, or in a subsequent demand for an arbitration of the issues, he joins with his fellows in withdrawing from work until the employer yields.

Then enters President Eliot's hero, the "scab." The term is opprobrious, and might well be supplanted by another. For it should be remembered that the "scab," though his work and influence are anti-social and degrading, is as much to be pitied as condemned. He is as inevitable a part of the capitalist system of industry as are the "shyster" attorney, the "quack" physician, and the "green-goods" operator, and far more necessary than any of these. Capitalist industry could not endure without masses of unemployed men to exert an actual or potential threat on the wage-rate; and it is from these hordes of more or less constantly unemployed men that the "scab" is recruited. He is an agent, rather than a principal. By what quality or by what blend of qualities he becomes a hero must be left for the exposition of President Eliot. Another educator, Professor Gunton, the proprietor of an establishment not so variously or conspicuously endowed as is Harvard University, has taken the opposite extreme, and has characterized the "scab" in terms of violent denuncia-



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tion. Much of what he says is true, but though he recognizes the fact that the "scab" serves as a tool of the individual capitalist, he fails altogether to recognize the necessary and inevitable function that he serves under the capitalist system of industry. Of that system he is an essential condition.

"In probably ninety per cent. of the cases he is really a loose, irregular, disreputable, quasi-tramp laborer. He is the kind that seldom works regularly, and is almost never a good workman. . . . In the main there is really no heroism in the 'scab.' And he doesn't come as a hero. He seldom comes because he wants to work. He usually comes because there are exceptional inducements offered and because he is made an object of considerable attention. . . . He not only does not lessen the total of the unemployed, but he defeats the effort of the other man to improve the condition of his whole class. He makes the job worse for himself, for everybody else, and for those that come after him. Is he a benefactor? To the extent that he succeeds he prevents improvement. His only contribution is to the forces that make it impossible for the laborers in that group to get better economic or social conditions, and he is used specifically for that purpose. Under no other conditions would he have been employed. He is employed only as an instrument for preventing that improvement. . . . From the viewpoint of the progress of society the 'scab' is an injury. He lacks



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lement that goes to make up a hero; his ttitude is that of the sneak and the camp-follower; of the man who robs the corpses on the battle-field, or attends a fire for the sake of the pickings. He contributes no element, either of personal honor, public spirit, or good workmanship, and adds nothing to the force which makes for the social betterment of anybody. There is every reason why honest, industrious laborers, whether members of unions or not, should despise the 'scab' and refuse to associate with him. It is an ethical impulse to ostracize him."[1]

This is the being who takes the place of the striker. Victim that he is, he is yet held to be a free-will actor in the treason which he commits to the cause of the workers. He violates the sense of class honor resident in most workmen, unorganized as well as organized—a sense which our perverted judgments hold honorable and beautiful in companions-at-arms or knights errant, but base and plebeian in toilers; and it is to this treason more than to the personal wrong endured, that the occasional violence of the striker is due. Absurd as it may appear to the trader and retainer conscience, the moving impulse of the striker's violence against the "scab" is the sense of outrage to his ethic of

[1] George Gunton, *Gunton's Magazine*, January, 1903.



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group fellowship. The striker sees himself supplanted in his job, and his dependent ones reduced to penury; but he sees this also in other times, when there are no strikes, when industry is at peace, and it does not prompt him to violence. It is only, in the main, when he is made to suffer through the treason of his fellows, that he falls to lawless acts. Between the magnate who breaks law for an added profit, against the interests of his fellows, against the interests of men of other classes, against the interests of all society, and the workman who violates law out of the blind prompting of an instinct of class honor, stretches a chasm too wide to be bridged. The workman is nevertheless not to be excused, it will be said; but it must also be said that it is due him that he be rightly understood, and that his conduct be not assailed by men who are the passive apologists of lawlessness far more inimical to the state. The teachers and preachers may find it pleasant to be fed on stalled ox and clothed in fine linen by reason of their denouncing one kind of lawlessness and condoning another; but the pleasure is one which can only be purchased at an ultimate price too dear to pay. In the transformed society of the future, wherein the distinctive



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class ethics of the producers, purged and refined of their grosser phases due to individualist competition, shall have become the accepted ethics of all society, the hortatory retainers of to-day will be remembered, if at all, only with contempt.



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## CHAPTER VI

### Ethics of the Traders

It is the ethics of the traders which most concern us, since with the world as it is, the traders are in the saddle. Their views are dominant, and prevail in church and school, at the bar and on the bench, and form the basis of the general social morality of to-day. Whatever ethical impulses may arise, whatever ethical standards may develop, in the subordinate classes, they are nevertheless distorted or checked by the ethical code imposed from above. When the strike-breaker justifies his own conduct, he does it not in conformity with the natural ethics of his class, but in conformity with the ethics of the dominant class. He is generally a victim of necessity, and must take work at whatever cost to his class conscience and his class honor. But his conscience, if he is a normal being, reproves him; and it is only by the flattering unction of an ethic borrowed from an antagonistic class that



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it can be soothed. In a like position is the social servant who is led to perform the service of a trading-class retainer. His natural instincts, consonant with the exercise of his function, would prompt him toward an ethic seeking to harmonize the conflicting interests of various classes; and it is only by judging his own conduct by the test of a trading-class ethic that he can justify it. Here, as in all other places, the influence of ideals in moulding beliefs and institutions, and in prompting actions toward a social end, is counter-checked or subordinated by the pressure of the material interests of the dominant class.

## I

The supreme ethic of the trading class is that of contract. It is an ethic which consists of two parts — a conviction of the right to make any bargain which the other party can be induced to agree to, and a conviction of the duty of keeping the agreement when made. All of our legal institutions reflect and uphold this ethic; an army of officials; a great number of courts, swarmed about by a multitude of lawyers; no less than forty-nine different groups of legislators, including those of the territories



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and of the national capital, and a vast mass of legal tradition and judicial decision. It is an ethic which is held valid despite the fraud and deception which are practised throughout the processes of trade; for as a general thing, only the grosser and more patent forms of fraud, against which specific laws have been aimed, justify, to the trader mind, the breaking of an agreement. The court calendars are perpetually crowded, it is true, with cases of trader *vs.* trader, involving fraud in the making or breaking of contracts. But these, for the most part, represent only the more glaring violations. For the multitudinous transactions of the ordinary kind in which misrepresentation is employed, there is no appeal; and the trader code justifies the means by the end. Indeed, it not infrequently happens that the trader who complains of a bad bargain is looked upon by his fellows with much the same contempt that is visited upon the "squealer" of a "brace" faro game or the "come-back" of a "green-goods" operation. The standards are much the same, East and West, North and South, throughout the range of merchandizing. But they are more strictly held to, with a less frequent resort to "squealing," in the freer and less regulated sorts of merchandizing such as horse-trading,



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mine-selling, and other bartering transactions than in the better regulated but more sordid merchandizing of the great trading marts. Mr. Jack London, the novelist, gives an amusing instance of the wonderment of two veteran prospectors over the conduct of a poor Swede upon whom they had unloaded a supposedly worthless mine: —

"Tears were in his eyes and throat. They ran down his cheeks as he knelt before them and pleaded and implored. But Bill and Kink did not laugh. They might have been harder-hearted.

"'First time I ever hear a man squeal over a minin' deal,' Bill said. 'An' I make free to say 'tis too onusual for me to savvy.'

"'Same here,' Kink Mitchell remarked. 'Minin' deals is like horse-tradin'.

"They were honest in their wonderment. They could not conceive of themselves raising a wail over a business transaction, so they could not understand it in another man."[1]

The ethic of contract is to-day more devoutly, more fiercely held among the trading class than ever before. The increase of deception is necessarily attended by an increasing faith in the right of the fabricator and seller to misrepresent — at least up to a certain point — and an

[1] Jack London, *The Faith of Men*, p. 130.



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increasing reliance upon the obligation of the buyer to fulfil his agreement.

Trading-class morality actually recognizes an ethic of deception. It is what might be called a silent ethic, for it is not, as a rule, openly or flauntingly announced. But it is none the less generally held, and the overwhelming mass of trading-class practices are in accord with it. "I must live," is its inner expression; and its outer expression, which has long been embodied in law, is "*caveat emptor*," "let the buyer beware." An excellent illustration of the trading-class view of it is revealed in a letter published some time ago in that classic organ of capitalist ethics, *The New York Times*:—

"To the Editor of *The New York Times*:

"While conversing with a friend some evenings ago, a chance remark that there was a great amount of fraud perpetrated nowadays, which in the eyes of the perpetrators was quite justifiable, called forth the following remarkable statement from my friend: 'Why, in my business competition makes it impossible for a single firm to exist if it did not adulterate its goods.'

"For obvious reasons I shall not mention my friend's business, but the existing conditions which he explained were a revelation to me, and though at first his statement was rather appalling, his subse-



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quent explanation has to my mind somewhat justified his course.

"His argument in substance was that a merchant who discovers that all his competitors are able to undersell him because they adulterate their goods is justified in following their example in self-defence, if for no other reason. Furthermore, a man who has the means to retire when these practices of his competitors become intolerable owes a certain obligation to his employees, many of whom, perhaps, have grown old in the concern, and are unfit to start business life afresh. To sell out would be simply shifting the responsibility to other shoulders.

"Always taking it for granted that the adulteration practised is not injurious and is practically proof from detection, is a man censurable who sells an adulterated article as 'absolutely pure,' when the conditions described are taken into consideration?

"E. B. G."[1]

Not often is this ethic of deception so ingenuously and publicly proclaimed. But though it is here the voice of only a single individual, it is, if the overwhelming mass of commercial practices are to be held to represent the trading-class mind, an almost universally held ethic among traders. What delightful naïveté is revealed in that qualifying clause, "always taking it for granted that the adulteration practised is

[1] *New York Times*, April 16, 1904.



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not injurious and *is practically proof from detection"!* The primitive savage's concept of evil, not as an injurious deed, but as the getting caught at it, would seem to be a lusty survival in the trading-class morality of to-day.

"Deception," writes Professor Ward in his *Pure Sociology*,

"may almost be called the foundation of business. It is true that if all business men would altogether discard it matters would probably be far better even for them than they are, but taking the human character as it is, it is frankly avowed by business men themselves that no business could succeed for a single year if it were to attempt singlehanded and alone to adopt such an innovation. The particular form of deception characteristic of business is called *shrewdness*, and is universally considered proper and upright. There is a sort of code that fixes the limit beyond which this form of deception must not be carried, and those who exceed that limit are looked upon somewhat as is a pugilist who 'hits below the belt.' But within those limits every one expects every other to suggest the false and suppress the true."[1]

To what degree this deception is carried, and how it comes to its flower and fruitage in an unparalleled reign of fraud and graft, must be passed for the present, to be considered at some length in the two following chapters.

[1] Ward, p. 487.



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Though the supreme ethic of the trading class is that of contract, including its auxiliary, that of deception, there are other class convictions quite as firmly held. One of these not to be omitted from mention is the ethic of the sacredness of private possessions. What the individual has gained possession of, that is his against all the world; and they that would seek to levy upon it for even the most useful social purposes are usually regarded as robbers. Thus it comes that taxation and customs duties, except when the latter become, as protective tariffs, a means of personal enrichment, are not infrequently classed by the traders as legalized theft. Especially are the inheritance and income taxes and the duties on personal belongings provocatives of trading-class indignation and resentment. That nine-tenths of all governmental activity is exercised in protecting the traders and securing them in their possessions is a fact patent to most, even to the traders themselves; and that government is therefore justified in levying upon such possessions would seem to be axiomatic. But no consideration of logical right can wholly supplant the outraged ethic of the sacredness of private possessions in the trading-class mind.

A different kind of ethic, a projected ethic,



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as it were, — an ethic not for the guidance and governance of themselves, but for the direction of men of another class, — which is fiercely held by the traders, is the ethic of "free" labor. It has developed quite as naturally as have the other ethical standards of this class, out of the pressure of economic needs. In feudal times the dominant class held to the ethic of bound labor. The interests of the barons made such a status a necessity, and naturally these barons arrived at the conclusion that it was best for religion and morality, for mankind, for the state, and particularly for the villeins themselves; and the priestly and lay retainers (with such exceptions as Wiclif's "russet priests" and some others) coincided in the view. But the transformation to capitalism, with its fierce competition, its changing technic of production, and its fluctuating markets, necessitated a greater mobility for labor. Capitalism cannot undertake the maintenance of its workers, but must have them in great masses, ready to be hired at will and subject to instant discharge. Trade-unions, therefore, in regulating, or attempting to regulate, this supply of labor and the terms and conditions under which it is employed, are a palpable interference with the necessities of capitalism. Hence arise the cries



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for "free" labor — labor that is not associated, but is ready at all times to serve on the terms laid down for it — and for the open shop, where the working conditions are those only which the individual master is willing to give.

An ethic, this standard has been called; but it is doubtful if it reaches the worth and standing of an ethic by mere trading-class cerebration alone. It is of a different nature from the other ethical standards, peculiar to themselves, which the members of a class develop out of the exercise of their particular functions. It is, on the contrary, a standard imposed upon other men — a demand upon them for something the traders need and want, purely material and sordid in its nature, and doubtless at first unsanctified in the trader mind by any nimbus of moral sentiment. Not until it passes through the prism of the retainer mind is it invested with a halo of righteousness; not until then does it acquire a religious validity, a sanction in accord with the laws of Nature and of Nature's God. Thus hallowed by the retainers, it is reabsorbed into trading-class morality, and takes equal standing with its other ethical standards.

In the light of this ethic, as it is now being industriously expounded by our comfortable



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factory lords and their retainers, the common phenomena of the industrial life take on new and wondrous forms. "Free" labor — that is, labor so servile and helpless that it must needs accept employment at any wage and under any conditions — becomes glorious, patriotic, heroic, what you will. Union labor, which seeks to have some voice in determining the wages and conditions under which it will employ itself, becomes cowardly and supine, the victim of tyrannical walking delegates or corrupt political wire-pullers. The attempt to enforce its terms becomes the impudent assertion of a right to "run the employer's business"; and, finally, the open shop, wherein the workman is sooner or later reduced to a mere tool of the master, becomes an earthly paradise, an abode of joy and hope and peace. Of such is that part of trading-class morality imposed upon other men, when illumined and sanctified by the moral and intellectual retainers.

## II

It may be interesting to look at some of the distinctive phases of trading-class function and morality from the standpoint of the producing classes. The producers, particularly the wage-



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earners, have two prime grievances against the traders, and against their retainers as well — old grievances universally and profoundly felt. The first of these is the general indifference of the comfortable classes to the poverty of which nearly all the wage-earners are in peril, and which is the actual and inescapable lot of an enormous number of them. The extent and social consequence of this poverty have been often pictured, perhaps most graphically and convincingly in two oft-quoted and well-known passages, one by the late Professer Huxley and the other by Mr. Frederic Harrison. They cannot be too often reiterated. It is incumbent to return over and over again to these forcible and telling descriptions for an adequate understanding of the basic condition of industrial society under private capitalism. In Professor Huxley's words: —

"Any one who is acquainted with the state of the population of all great industrial centres, whether in this or other countries, is aware that amidst a large and increasing body of that population there reigns supreme . . . that condition which the French call *la misère*, a word for which I do not think there is any exact English equivalent. It is a condition in which the food, warmth, and clothing, which are necessary for the mere maintenance of the functions



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of the body in their normal state, cannot be obtained; in which men, women, and children are forced to crowd into dens wherein decency is abolished, and the most ordinary conditions of healthful existence are impossible of attainment; in which the pleasures within reach are reduced to brutality and drunkenness; in which the pains accumulate at compound interest in the shape of starvation, disease, stunted development, and moral degradation; in which the prospect of even steady and honest industry is a life of unsuccessful battling with hunger, rounded by a pauper's grave."[1]

Mr. Harrison's summary, published two years earlier, furnishes a picture almost identical:—

"To me, at least, it would be enough to condemn modern society as hardly an advance on slavery or serfdom, if the permanent condition of industry were to be that which we behold, that ninety per cent. of the actual producers of wealth have no home that they can call their own beyond the end of the week; have no bit of soil, or so much as a room that belongs to them; have nothing of value of any kind except as much old furniture as will go in a cart; have the precarious chance of weekly wages which barely suffice to keep them in health; are housed for the most part in places that no man thinks fit for his horse; are separated by so narrow a margin from destitution that a month of bad trade, sickness, or

[1] T. H. Huxley, *Nineteenth Century*, February, 1888.



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unexpected loss brings them face to face with hunger and pauperism. . . . This is the normal state of the average workman in town or country."[1]

It is of the European cities (in Mr. Harrison's declaration, of the country districts as well) that these words are written; but they apply also, though with a somewhat lesser degree of exactness, to the greater cities in America. Day after day, year after year, this general condition endures — a condition somewhat eased in times of prosperity, but made unspeakably worse in times of depression. The producers see the comfortable classes in the serene enjoyment of all the luxuries that money will buy, and they see that this enjoyment is but slightly affected, if at all, by the presence of the suffering poor. While multitudes hunger and sicken in the slums, the luxurious places of entertainment and amusement overflow, and the intermittent cry of the stricken is borne down and hushed by bursts of revelry. If conscience or pity gives a momentary pain, it is stilled by a sop to charity, thrown like a coin to a beggar as the giver's carriage whirls past to some as yet unsated pleasure. Luxury is the main end of most; while those who are too refined for

[1] Frederic Harrison, *Report of Industrial Remuneration Conference* (1886), p. 429.



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sensual indulgence devote themselves to "culture," a pursuit that reaches its characteristic phase in a trained sensibility that can weep at the simulated woes of a Cordelia or a Camille, but can withstand unmoved the hollow cheeks and glazed eyes of a starving family in the next block.

The second grievance of the producers is social aloofness — indifference to the social feelings of the producer as a human being. Social distinctions follow differences of occupation, and manual labor becomes the main test. Those who do the hardest and roughest work are, barring criminals and outcasts, on the lowest steps of the social stairway, and those who are the furthest removed from manual labor are at the top. The pæans that are perpetually sung to the dignity, honesty, and worth of manual labor by our ministers, teachers, and politicians are natural, and in a way, sincere enough; for it is recognized that if there were none to do the hard labor there would be no ease and comfort for the retainers. But for all the honesty, dignity, and worth of his toil, the manual laborer is commonly looked upon as a socially inferior being. Social standards are set, directly or indirectly, by the trading class, and it thus naturally comes about that manual



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labor is a social disqualification, and the exploitation of labor a social virtue.

It is rare, even among petty employers, for the master to hold social relations with any of his workmen; and as for the larger employers, they do not even know their workmen by sight. No minister who preaches the worth of hard work to a trading-class congregation could possibly welcome to his social circle a manual laborer; and even the ward politician, though he must himself associate with workmen to get their votes, is compelled to draw distinctions against them in his home. How firmly rooted, how generally prevalent, is this feeling regarding manual labor is well illustrated in the different social standing of clerks and mechanics. The clerk is, in the broad sense, a producer, and under a juster system of society, wherein his work would be as invariably useful as is that of the mechanic, would be a producer even in the narrowest sense. But his work, though partly manual, is looked upon as more "genteel" than that of the carpenter or the shoemaker, and thus, though his wages are miserable, his duties generally servile, involving enforced lying and trickery, and his ethical and intellectual average is low, yet his social grade is everywhere far above that of the better paid, more highly



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skilled, more intelligent and moral mechanic, whose qualities have placed America in the forefront of industrial nations.

It may be asked if the average type of worker, more or less conscious of an ethic of usefulness, and the radical worker, conscious of class interests and antagonisms, really want or expect social intercourse with the exploiters and the idlers. They may or may not, according to circumstances, individual character, and locality. In general, the social feelings are warmer, more spontaneous, less artificial, among workers than among the members of the "upper" classes. To them more than to others is it true, in the words of William Morris, that "fellowship is heaven, and the lack of fellowship is hell." The isolated trader, the isolated scholar, may be indifferent to intercourse with his kind; but the isolated workman, shut out from friendly association, cannot be indifferent. Association with his kind is a necessity of his being; and since his social feelings have a less artificial, a more universal basis, than that which obtains among the members of other classes, it is not unnatural that he should want and seek association with other kinds as well. Locality, too, is influential. In the Middle and Far West, as a general thing, the barriers against social inter-



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course are much less formidable than in the East, and workman and capitalist may often be acquaintances and friends. "The farther west one goes," as Professor Ely expresses a well-known fact, "the more democratic becomes society."[1] Even in those Western localities where antagonisms between the classes are conscious and strongly held (except, of course, such localities as the mining and smelting districts of Colorado, where abnormal conditions prevail), there may be inter-class association on extremely friendly terms. The units of the various classes may recognize one another as human beings, with inevadable claims to fellowship, even though they have antagonistic interests. In the East, however, the long-continued separation of the classes has brought about differentiations in customs and standards of living that make inter-class association practically impossible. It can hardly be supposed that under such circumstances the worker has much desire for, or any expectation of, intercourse with his "social betters."

But for the workers to desire or expect social intercourse with the upper classes is one thing; to resent the social inferiority in which they are

[1] Richard T. Ely, *Studies in the Evolution of Industrial Society*, p. 78.



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held because they do manual labor and have no money to expend for display is quite another. It is not so much the lack of fellowship that is resented as the assumption of superiority. Men may be, for many causes, instinctive or reasoned, disinclined to friendly association with certain other men, and without offence. But when the causes of this disinclination, obvious and acknowledged, are the artificial and sordid tests which are almost universally applied by the comfortable classes, a natural and enduring resentment is created. To be conscious of doing the productive work of the nation, to know that the greater part of this product is taken by others, and that those who take it, even if ignorant and bestial, are thus enabled to set themselves apart as a superior class, looking with scorn upon their victims, can hardly be supposed to conduce to working-class patience with the prevailing order, or with the social and ethical standards which are its natural product.

The social feeling of a great part of the well-to-do classes toward the producers is often, if not generally, that of a mild indifference or a passive disdain. But in the more cultured fraction of these it frequently takes on the hue of active contempt. Refinement involuntarily



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shudders at the rough garb and unconventional ways of the workers and at the militant assertion on their part of a right to a larger share in the product of their toil. Our current fiction generally reflects this attitude; though of late a growing curiosity to hear about "how the other half lives" has created an economic demand for stories of "low life," and a plentiful crop of such productions has consequently appeared. It is notable that in few or none of these are the blood and sinew of working-class life depicted; the theme is apparently without artistic value to the "cultivated" mind. What is wanted are types of the eccentric, the abject, the miserable, of beings who "know their places," who are without a sense of social wrong or a determination to mend matters. Over these the "cultured" sensibility can weep or laugh — at a distance — proud and happy to be possessed of such delicate sympathy, while it would only be shocked or bored by a depiction of the life of the real workers.

It is in the social and political writings intended for the "cultured" that this active contempt is most plainly shown. Its most characteristic expression is perhaps to be found in the work of the late Mr. E. L. Godkin. The working classes, in the view of this representa-



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tive of the "cultured" philistines, were pretty much all they ought not to be. Their "brusqueness of manner and carelessness about dress" were signs, not of freedom, as they ignorantly imagined, but of "imperfect civilization." The conversation of some of those whom he had observed was "profane, indecent and slangy, and trivial," and showed no sign of "any desire to rise in the scale of intelligence or refinement." "I think," he wrote in one of his papers intended for posterity, "the manners and personal appearance of a large part of our working population might be greatly improved; that their lives might be made far more refined and picturesque without any change of occupation; that their houses and other surroundings might be made far better, with more knowledge and effort on the part of themselves and their wives, if less money were spent on drink."[1]

In a word, he taught what the "cultivated" philistines care most to hear, and his writings reveal, perhaps more comprehensively than those of any other contemporary publicist, the attitude generally taken by the members of this class toward the producers. Exceptionally

[1] E. L. Godkin, article on "Social Classes in the Republic," *Atlantic Monthly*, December, 1896.



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interesting, therefore, is his treatment of social distinctions: —

"It is a little difficult to discuss this branch of the subject without seeming to treat it too lightly. Social inferiority is a common complaint of Socialists everywhere against the classes which do not work with their hands. But nobody has as yet pointed out how it is to be overcome any more than how differences in strength of mind or body are to be overcome. One of the dearest liberties of the human race is each man's liberty of choosing his own associates. His choice, too, is not regulated simply by attractions of mind or character, but by manner of living. I associate, except in rare instances, with those who live like myself, who have the same ideas of social enjoyment, who dress and behave in social life much as I and my family do, whose walk and conversation I find interesting and instructive. Workingmen do the same thing. I venture on the assertion that it is very rare indeed for any man or woman to be kept out of any society which would enjoy his or her presence. People do not, as a rule, associate to assert a principle or spread ideas. They associate for purposes of enjoyment; workingmen do so themselves. Congeniality or similarity of manners is what has drawn social lines ever since man began to consort with his fellows. To arrange society on legal lines is beyond human powers. To be told by any human power what company I must keep, is to be a slave, and the restoration of social slavery is not possible. Birds of a feather have flocked together since



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civilization began, and probably will do so till it perishes."[1]

One may smile at such banalities as that people generally associate with others who have the same ideas of social enjoyment, or at the affected supposition that any one — even the most rigid of mechanical state Socialists — expects to compel by law persons who are mutually distasteful to associate. One may also cheerfully admit that birds of a feather flock together, at least when they can get together. But he may still observe that the social tests which individuals employ in choosing their associates may be ideally high or low, gross or fine, just or unjust, and that they are conceivably subject to change for the better or worse. Thieves flock together, and so do harlots and politicians. But no ethical teacher thinks, therefore, to sanction the tests of social valuation which these persons employ. The morally superior of any two thieves might conceivably be the one who had instincts and standards above those of his kind, and who chose at times to associate with honest men. The standards of choice in association may be all that Mr. Godkin maintained

[1] E. L. Godkin, article on "Social Classes in the Republic," *Atlantic Monthly*, December, 1896.



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them to be, and yet be utterly unjustifiable. If the choice of the average man, as he writes, "is not regulated simply by attractions of mind or character, but by manner of living," the test is an odious one to all right-minded persons, and it is, therefore, something for criticism and correction. Those who fail to understand this are simply those who can complacently reiterate with Mr. Godkin: "I associate, except in rare instances, with those who live like myself, who have the same ideas of social enjoyment, who dress and behave in social life much as I and my family do, whose walk and conversation I find interesting and instructive." Their outlook upon life is meanly circumscribed, and the ethical judgments they are enabled to form are wofully inadequate for beings of the present day. As Miss Addams writes, in instructive and wholesome contrast:—

"We are learning that a standard of social ethics is not attained by travelling a sequestered byway, but by mixing on the thronged and common road where all must turn out for one another, and at least see the size of one another's burdens. . . . We realize, too, that social perspective and sanity of judgment come only from contact with social experience; that such contact is the surest corrective of opinions concerning the social order, and concerning



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efforts, however humble, for its improvement. . . . We have learned as common knowledge that much of the insensibility and hardness of the world is due to the lack of imagination which prevents a realization of the experiences of other people. Already there is a conviction that we are under a moral obligation in choosing our experiences, since the result of those experiences must ultimately determine our understanding of life. We know instinctively that if we grow contemptuous of our fellows, and consciously limit our intercourse to certain kinds of people whom we have previously decided to respect, we not only tremendously circumscribe our range of life, but limit the scope of our ethics." [1]

## III

Besides these two grievances, there is a very serious accusation which lies in the minds of many of the producers, and is openly expressed by some, against the "rich," meaning the trading class and its higher business retainers. The accusation is of dishonesty, — not the incidental dishonesty shown in the common practices of commercial life, but a fundamental dishonesty in the very nature of trading-class incomes. It arises from the conviction that the rich derive their comforts and luxuries solely

[1] Jane Addams, *Democracy and Social Ethics* (1902), pp. 6–10.



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from the toil of the producers, and that they give little or nothing in return. This conviction follows the ethic of usefulness, which requires service of a demonstrable social utility as a condition of receiving a living; and the question that it prompts in the producer consciousness is this: Of what economic use are the rich?

Those of the rich who are more or less directly concerned with production comprise three types — the capitalist *per se*, the speculator, and the "legitimate" business man — though it often happens that two, or even all three, of these rôles are played by one and the same person. To the producer the speculator appears solely as an exploiter — as one whose entire income is exploitation. He renders no service of any kind to society, and he levies an enormous tax upon production. The man in "legitimate" business, however, admittedly renders service. There must be directors of industry, otherwise the wheels would soon come to a stop; and since the producers have not of themselves chosen such managers to preside over their activities, the business man, in their default, takes the function upon himself. He directs, or selects others to direct, the operations of production and distribution. Con-



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fessedly, his motive is not social usefulness, but merely profit-making; but by his social service he indubitably earns a living. How much is he entitled to? Obviously, to the producer mind, not to "all that he can make," but to no more than the computable value of the service he renders to society. Profits and high salaries are consequently looked upon, partly as earned wages of superintendence, but in larger part as exploitation.

Finally, there is the capitalist, he who does not toil, but who nevertheless makes heavy drafts on the product of those who do. His income, judged by working-class ethics, is almost wholly exploitation. He performs, it is admitted, at a certain point a momentary function of service; for in the act of "making an investment" he exercises a selective influence as between the various candidates for the post of director of industry, or he says "yes" or "no" to the desire of some industrial captain to enlarge the field of his direction. In making this selection he does not of course weigh the relative probabilities of social usefulness of this or that man or undertaking — he thinks only of the effect upon himself, of the nature and volume of his returns; yet choice made on private grounds has at least a partial tendency to bring



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to the front men and enterprises that are of general use. Hence, admitting for the moment the rightfulness of private capital, the capitalist is entitled to compensation whenever he performs the selective function — to a fee each time he makes a new investment. The sum total of these fees rightly earned by the entire capitalist class is not, however, an appreciable fraction of the present income of capital. Interest, rents, and dividends are condemned by the ethic of usefulness as unearned, wrongfully apportioned, and wrongfully held.

This selection, it should be borne in mind, is the sole economic function of the immense financial hierarchy, from the rank of millionnaires down through grade after grade of lesser men to the office boy. When it is considered what an enormous tax, in the shape of interest, dividends, profits, and salaries, is taken out of the producers every year; and when it is further considered what a simple function — even though at its best it requires high talent — this selection is, and that it could be more scientifically and cheaply performed by a commission of statisticians, process experts, and master mechanics, it may be perceived how well-founded is the conviction of the producers that the whole tribe of financiers and their retainers is



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relatively useless. One may even go farther; and seeing that the only active force preventing the adoption by the people of the simple and just way of arranging how much and what productive work shall be done each year, is the opposition of the financiers and their retainers, commercial and intellectual, one is forced to conclude that the net service of these men, in return for their enormous levy on the producers, is a negative quantity — that it is obstructive and anti-social.



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# CHAPTER VII

## The Reign of Graft

Trading-class morality under individualist, competitive industry has its inevitable outcome in "graft." The term was but slang, unworthy to be countenanced, when the 1899 edition of the *Century Dictionary* went to press. But a growing recognition of the prevalence of the thing itself, and an increasing appreciation of the peculiar expressiveness of the term, have forced its acceptance into the literary language of the day. So far, its use is, in the main, general and undifferentiated; for it is employed to describe not only (1) the power or capacity to extort wealth or service, but (2) the act or practice of extortion, and also (3) the wealth or service extorted. We say, for instance, that the graft of a certain street railway company is a menace to the interests of all citizens; that graft flourishes in the proud commonwealth of Missouri, and that the distinguished patriot, the Hon. Birdofreedum Jones, is getting big graft



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from the Banner Oil Trust. But it is in the sense of the second definition that purists most frequently employ it, and we may expect that with the slow efflux of time its use will be specifically so confined.

Graft flourishes, it is hardly necessary to say, not only in the commonwealth of Missouri, but in every state and territory, city, county, township, and hamlet, in the United States. It is the necessary, inevitable resultant of trading-class ethics under individualist, competitive industry; and the cumulative effects of 1900 years of hortatory appeals to the individual to "be good," exert about as much restraint upon its activity as would the opposition of an insect upon the revolutions of the fly-wheel of a Corliss engine.

An adequate history of graft in these United States would require a greater quantity of print than that contained in the latest edition of the *Encyclopædia Britannica*. It would rightly begin with July 4, 1776, — not because that date marked the beginning of graft, but because it marked the beginning of the United States,[1] — and it would continue to the last hour before going to press. Graft flourished in the early

[1] The captious, if they choose, may take the alternative date, April 30, 1789.



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days of the Republic as it now flourishes. Indeed, relative to the wealth, the population, and the number of commercial transactions, it was probably more widespread then than now. Society, in its organized form, the state, has been compelled, for its own salvation, to limit the opportunities for graft — to narrow the boundaries of the total of permitted actions, and to penalize year by year the acts which before were regarded as "legitimate business."

It would be a matter for exultant pride if the advance of legislation in defining commercial graft, slow and paltry as that advance has been, could be proved to be due to a growth of public conscience. But it is doubtful if this can be shown. What *has* happened is a growth of *consciousness*. The trader comes to recognize the utter demoralization to business resulting from certain kinds of actions which he and his fellows practise, and he appeals to the state to forbid them. At the same time the number of producers enormously augments, and the producer consciousness allies itself with the trader consciousness for a restriction of these more odious forms of graft. But the forms which are not fratricidal as between the members of a class — the forms which permit the exploiting of one class by another — undergo a far



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more tardy correction. The adulteration graft, the franchise graft, the various forms of legal and judicial graft, are some of these forms, the abolition of which is delayed, and in some cases fought with an unremitting bitterness.

## I

Despite the universality of graft, despite the growing recognition that it is the inescapable resultant of individualist, competitive industry, a host of economists, ministers, and ethical teachers are ever voluble in proclaiming the beneficence of struggle, the ethical progress resulting from competitive life. The plea and the assertion are to be found, directly or indirectly, in the works and oral pronouncements of most of our present-day teachers. In its simplest and baldest form, stripped of metaphysical abstractions, it appears about as follows: —

"This individualistic and competitive system of industry gives society the best, cheapest, and most rapidly improving supplies . . . and develops in the only possible way (namely, by direct reward in profit) the enterprise, ingenuity, energy, and courage that alone could have made modern civilization. . . . The fundamental principle of the present competitive



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system of industry is morally right. To each person it gives, among people prepared for it, all the wealth he produces — all that his labor, his land, his capital, or his management is worth to the buyers of it and to society." [1]

It will be interesting to inquire into this furnishing of "the best, cheapest, and most rapidly improving supplies," particularly observing its relations to the fostering of "modern civilization," and the manner in which it distributes to each person that which is morally his due.

A recognition of the universality of graft in private business is now finding its way into the public prints. A few years ago it would have been both anarchy and treason to mention the universality of graft; but the growing consciousness of the fact makes silence no longer possible. Mr. Steffens, in his recent article in *McClure's Magazine*, finds business at the bottom of all political corruption: —

"My gropings into the misgovernment of cities have drawn me everywhere, but always, always, out of politics into business, and out of the cities into the state. Business started the corruption of politics in

[1] George L. Bolen, *Getting a Living* (1903), pp. 53 and 66. The substance of the last sentence is attributed by Mr. Bolen to Professor John B. Clark.



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Pittsburg; upholds it in Philadelphia; boomed with it in Chicago, and withered with its reform; and in New York, business financed the return of Tammany Hall. Here, then, is our guide out of the labyrinth. Not the political ring, but big business — that is the crux of the situation."[1]

His article is a painstaking study and a convincing account of the political demoralization of a great city — St. Louis — and a great state — Missouri — through the grafting activities of private business. In a recent number of *The World To-day*, the president of a certain manufacturing corporation has an article on what may be called purchasing graft. The article is unsigned, but the writer is well known — to the author as well as to thousands of other persons throughout the country — and his statements can be taken with entire credence. As the selling agent of his corporation, he has become thoroughly acquainted with the conventional means by which purchasing agents are induced to place their orders: —

"It has been a common remark in the West that the purchasing agents of railroads would become

[1] Lincoln Steffens, article on "Enemies of the Republic," *McClure's Magazine*, April, 1904.



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rich on a salary of $2000 or $3000. They have been known to build $25,000 houses out of the surplusage of one year's income. The vice-president of a car-manufacturing company told me a few years ago that he did the bulk of the selling for his company, and that nine-tenths of his orders were got by bribing the purchasing agents and occasionally the president or vice-president. Sealskin sacks to the wives were a not uncommon method. In one case, it was a fine horse and carriage, in another a yacht. The treasurer of another company dealing in railroad supplies told me how, before he went to a neighboring city, he invariably sent his own personal check (not his company's, because that would not look well) to the purchasing agent of one of the largest systems on this continent. This man, now dead, was a fine-looking, white-haired Scotchman, elder in the Presbyterian Church, and universally respected. When the salesman got there he went through the railroad's supply stock, made up the order, and fixed the prices. He remarked, with a wink, that his company did not lose any money even if they had paid $1000 before each trip. These checks were never acknowledged, and nothing was said. They ranged from $500 to $1000 each time, and my friend shrewdly remarked that once or twice, when the checks had been small, the order had been cut short before finished, and the benevolent, white-haired old purchasing agent had remarked that he had to give so and so, mentioning a rival firm, a little of his business, you know. After these gentle hints, larger checks were sent, and the



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rival did not get a smell of the business, no matter how low his prices were."[1]

Trading-class morality is the resultant of class interest and function, as that interest and that function are determined by the prevailing mode of production and distribution. Individual competition is the underlying principle of that mode. Regarding the character of the acts which flow from it, Mr. Otis Kendall Stuart has some suggestive words in a recent number of *The Independent*:—

"Is not . . . the conclusion irresistible that men are driven to dishonesty in business because of a vicious business system — because of a system which tends always to hide the true function of business — a system which makes 'individual success' its ideal, and the money a man accumulates the measure of that success? That system, with its low ideal, its immoral point of view, and its loose distinctions, ties the hands of many a man of affairs, no matter how honest naturally he may be. The rigid chain of competition literally *binds* him to use all the desperate means of his business rival — the lowest obtainable scale of wages, the most improved machinery, the most nearly automatic methods, and the same refined mendacity and mountainous exaggeration. And in

[1] Article on "Graft in Private Business" by "The President of a Well-known Manufacturing Corporation," *The World To-day*, January, 1904.



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many lines the exaggeration and mendacity are as necessary tools of trade as the improved machinery and the automatic methods. They are planned with consummate art, are perfectly systematized, and might easily be classified by the political economist."[1]

Hon. Eugene A. Philbin, at one time District Attorney of the County of New York, had ample opportunity for observing the manifestations of trading-class morality in a great city. That his observations were made to some purpose, the following extract from an article written by him will show: —

"In the relentless competition that exists, the maxim that 'necessity knows no law' is apt to be adopted and the sense of right blunted. Thus it may happen that the man wholly fails to realize that his action is not in conformity with the standards referred to; his conscience may be of such a character as to require nothing short of an X-ray light. Thus merchants of the greatest respectability will do a thing as a good, shrewd business stroke, that according to ordinary standards of morality would be positively wrong. The following story will illustrate more clearly what I mean, although it may perhaps be an extreme case: —

"'An out-of-town merchant sent a large quantity of silverware to a firm in the trade with whom he

[1] Otis Kendall Stuart, article on "Business Honesty — and Honesty," *The Independent*, March 19, 1903.



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was acquainted, with the request that the lot be sold. The firm selected from the consignment some pieces for their own use and offered the balance for sale. A bid was received and telegraphed to the owner, who accepted it. He never knew anything about the consignees taking the pieces for themselves. Now the latter had entirely clear consciences as to the transaction. Had not the consignee accepted with satisfaction the price offered for the lot and authorized the delivery upon such terms? What then was wrong in the firm taking the articles under the circumstances, although they received compensation for their services?'

"One of them told me of the incident as an evidence of his business ability, and certainly perceived nothing immoral about the affair. Such an instance furnishes only a slight indication of the mind of the average man in business as to moral law." [1]

Since the traders are at present the dominant class, it naturally follows that trading-class ethics affect the ethics of all society. A particular ethic, developed by the specific needs and interests of an inferior class, such as the ethic of usefulness, as held by the producers, will yet hold its own as a standard of moral judgment; but in matters outside the range of immediate class interests, the producers, as well as the

[1] Eugene A. Philbin, article on "The Laws of a Great City," in *The Messenger* (New York City), April, 1903.



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other subordinate classes, become inoculated with the prevailing code of the dominant class. To what extent in the general mass this inoculation has proceeded is indicated in a recently published study by Mr. Frederick Trevor Hill:—

"If further proof be needed of our growing slackness, it can be found in our language and vocabulary, which is changing with the tendency of the times. We are carrying things (otherwise insupportable) with a laugh, and coining phrases for the purpose. As has been said, we are still sensitive to such coarse words as 'thief' and 'steal,' but it is vain to deny among ourselves that certain unchallenged doings of to-day forcibly suggest those terms. So we 'save our face' with an indulgent gayety, not devoid of humor. We give a twist and a turn to the rapidly changing English language and the ugly words disappear in the process. When a conductor steals a fare we jocularly remark that he is 'knocking down on the company'; when we steal a ride from the same company and conductor, we laughingly refer to our success in 'beating the game'; when we bribe we merely 'influence' or 'square things'; when we are bribed we collect 'assessments' or 'rebates,' or 'commissions' or 'retainers' and so on, until we reach a grave definition of 'honest graft' which would be more humorous if so many people did not feel that the term supplied them with a long-felt want. Now these expressions and others like them may bear a strong



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resemblance to thieves' slang, but they merely reflect the language of a people unconsciously retreating to a lower moral level." [1]

These comments on current practices are, with one exception, of the sort which may be called unconscious testimony. They are written, not by rude disturbers of the social order, wicked Socialists, levellers, come-outers, and the like, but by persons, with one exception, who accept the prevailing régime, and who would doubtless subscribe to the truth of Mr. Bolen's optimistic generalization given on a previous page. It is unlikely that any of them, except the writer of the article on "Graft in Private Business," has ever heard of such barbarous and alien phrases as the "economic interpretation of history" and the "class struggle." They are therefore writing, not in behalf of an economic or moral theory, but to record certain observations of practices in the commercial world of to-day. They testify consciously to the prevailing ethics of the trading class, and unconsciously to the force of class interest and function in developing an unsocial code.

[1] Frederick Trevor Hill, article on "Our Selfish Citizenship," in *Everybody's Magazine*, January, 1904.



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## II

The genius of graft has far more metamorphoses or manifestations than had Proteus. It would be well, if in passing from generals to particulars, we could enumerate and sort out the different kinds, and following the method of the lamented Lewis Carroll,

> ". . . describe each particular batch,
> Distinguishing those that have feathers, and bite,
> From those that have whiskers, and scratch."

But the task no single person can fulfil. Properly to accomplish it would require a staff of investigators, experts, compilers, and revisers like those engaged in the production of a great dictionary or encyclopædia. Within the limits appropriate to this volume, and the capacities of a single person, all that can be given is an imperfect outline.

First in importance is perhaps the adulteration graft. Despite the most stringent laws which society has been compelled to enact in order to safeguard life and health, this odious form of fraud is everywhere prevalent. Fresh fruit, and meat "on the hoof," so far defy adulteration; but aside from these there is little



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which man consumes of the nature of which he can be entirely sure. Milk, bread, cake, chopped meat, jams, jellies, coffee, tea, spices, baking powders, and flavoring extracts are all subject to elaborate "doctoring"; and so are all alcoholic beverages and many medicines. The extent of the adulteration graft in food has been variously estimated. The editor of *The American Grocer*, a representative of the trading class, has placed it at less than one per cent. Even at this estimate, the amount paid for fraudulent food by the American public in one year would approximate $75,000,000. Dr. H. W. Wiley, of the United States Department of Agriculture, has recently placed the amount of adulteration at 5 per cent. This would mean an annual grafting charge on the public of $375,000,000. Dr. I. W. Abbott, Secretary of the State Board of Health of Massachusetts, puts it at 10 per cent. or $750,000,000 yearly. Finally, Mr. A. J. Wedderburn, a special agent of the Department of Agriculture, who made a thorough investigation into the whole subject, reported in 1894 that "these sophistications can be truthfully said to be as broad as the continent," and that the extent of adulteration was not less than 15 per cent., approximating $1,125,000,000



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yearly.[1] This total, tremendous as it is, relates only to food, and is exclusive of the adulteration in wine, whiskey, beer, tobacco, and drugs, and the glaring fraud of patent medicines.

The adulteration of milk, with its awful consequences to infants and invalids, had grown to enormous proportions all over the country before organized society began to intervene. By the beginning of 1902, twenty-six states and territories, including the District of Columbia and Porto Rico, had decided that trading-class morality under the competitive system failed to produce "the best and most rapidly improving supplies" of milk, and had enacted laws for its inspection.[2] Yet despite these laws the adulteration still proceeds. In New York City, during 1902, of 3970 samples of milk taken from dealers for analysis, 2095, or 52.77 per cent., were found to be adulterated. The arrests in the city under the inspection acts were 193 in 1899, 460 in 1900, 464 in 1901, and 722 in 1902.[3]

[1] Address of Dr. William C. Mitchell, of the Colorado State Board of Health, before the Portland Pure Food Convention (1902). *Journal of Proceedings of the Sixth Annual Convention of the National Association of State Dairy and Food Departments*, held at Portland, Or., pp. 378–383.

[2] *Ibid.*, p. 396.

[3] *The Health Department.* A pamphlet published by the City Club (1903), p. 23.



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The different methods of the Tammany and of the Reform administration will explain some of the disparity between the figures, but even with this allowance, the general readiness to make profits by illicit sales is strikingly shown.

Well-nigh as instructive is the testimony from Ohio. The Dairy and Food Department of that state was created in 1886. After seventeen years of inspections, arrests, and prosecutions, adulterations of milk still continue. "Out of 1199 samples tested by the chemists," says the report for the year ending November 15, 1903, "about one-fourth were found to be either below the required standard in solids and butter fats, or adulterated with that base adulterant known as 'formalin' or 'formaldehyde.'"[1]

Our other food beverages are also sophisticated. A modern Madam Roland might appropriately exclaim, as she sips her breakfast cup, "O Coffee, what crimes are committed in thy name!" Even when the coffee is pure, it is in another respect rarely what it pretends to be. Our Mocha is for the most part the Brazilian peaberry, our Java a product of

[1] *Eighteenth Annual Report of the Ohio Dairy and Food Commission* (1903), p. 8.



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Bogotá. In the whole bean, coffee is difficult of substitution. "All the samples of whole coffee were found to be pure," naïvely records the latest official food report from Connecticut,[1] an indication that the day of too patent and vulgar frauds — of wooden nutmegs and paste coffee beans — is passing. But when the bean is ground or pulverized, adulteration is easy, and the natural consequence follows. "I renew my recommendation," writes Commissioner Blackburn of Ohio, "for all people to beware of ground coffee and to always buy from a responsible dealer. Ground coffees very frequently contain adulterants, the most common being roasted wheat hulls, bran, roasted peas, or other similar substances."[2] "Chicory was present in all the adulterated samples," says the latest Connecticut report, "and in two cases this was the only adulterant. In addition to chicory, six of the samples contained imitation coffee, consisting of broken lumps of a brown color made of wheat flour or middlings, and another contained pellets made of pea hulls and other ingredients."[3] Chicory,

[1] *Report of the Connecticut Agricultural Experiment Station* (1903), Part II, p. 145.

[2] *Ohio Report* (1899), p. 9.

[3] *Connecticut Report* (1903), Part II, p. 145.



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it should be noted, was for a long time the main if not the only adulterant of coffee. It is expensive, however, and the need has arisen of mixing it with a cheaper substance. Competition, in its lauded process of furnishing the "best and most rapidly improving supplies," has thus brought about in this instance the adulteration of an adulterant.

It is in the mixtures known as "coffee compounds" that the adulteration graft mounts to a crime which might well, in Mr. Kruger's phrase, "stagger humanity." Of eleven samples of these mixtures analyzed by the Pennsylvania department in 1897–98, six contained no coffee whatever, and none contained more than 25 per cent. The contents ranged from pea hulls (64 per cent. in one instance) to bran and the husks of cocoa beans.[1] The Ohio reports contain similar testimony. One interesting sample, analyzed in 1900, showed ingredients in the following percentages: Sand, 7.59; sticks, wood, and husks, 2.59; whole coffee beans, 5.93; beans resembling coffee, 12.10; pods, 1.56; cracked coffee grains and foreign matter, 70.21.[2]

Tea is more difficult of adulteration — at

[1] *Portland Proceedings*, p. 469.
[2] *Ohio Report* (1900), p. 47.



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least by domestic handlers. Of course the thrifty and ingenious Mongolian often tries his hand at sophistication before the tea is shipped. Leaves of the wild tea plant, leaves of the cultivated plant that have withered before being picked, as well as leaves that have been used and then refired, have confessedly been brought here. But it is doubtful if great quantities of these have recently reached the market. The inspection at the ports is severe, and the cargoes, if declared unfit for consumption, are turned back. The investigations of the United States Agricultural Department some years ago revealed the presence of a good deal of inferior tea in the market, along with much that had been "touched up" with graphite to give it a proper gloss. But of adulterations in the proper sense the findings were few. Cocoa and chocolate, however, are very generally adulterated. The Connecticut report for 1902 records twelve out of thirty-eight brands as "variously adulterated," seven others being mixtures marked "compound"; while in 1903 eleven out of twenty-nine brands were found adulterated, seven others being "compounds."[1]

Bread, too, is variously sophisticated; and in

[1] *Connecticut Report* (1903), Part II, p. 127.



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such states as have not enacted and rigorously enforced bakeshop inspection laws this one-time "staff of life" might perhaps better be known as the "staff of death." It is unlikely that any present-day analysis would show such heterogeneous and varied components as those revealed by the London investigation of 1863 —"human perspiration mixed with the discharge of abscesses, cobwebs, dead black beetles, and putrid German yeast, without counting alum, sand, and other agreeable mineral ingredients"—since present-day sophistication is a more perfected art. But for all that, the reports of bakeshop conditions that are made from time to time have a tendency, in the words of Marx, to turn, if not the heart of the public, at least its stomach.

Butter is a commodity which apparently can be made from anything; an English chemist has produced it from London sewage. That our American fabricators are not far behind in their inventiveness is frequently illustrated in the various reports. Commissioner Blackburn reported in 1898 large sales of a thing known as "renovated butter," and affirmed the existence of several factories in the nation for producing it:—



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"These factories have agents in all the large markets who buy up the refuse from the commission men and retailers, taking stale, rancid, dirty, and unsalable butter in various degrees of putrefaction; this refuse is put through a process of boiling, straining, filtering, and renovating, and is finally churned with fresh milk, giving it a more salable appearance. The effect is only temporary, however, as in a few days the stuff becomes rancid and the odor it gives off is something frightful. It is usually sold to people having a large trade who will dispose of it quickly, for if it is not consumed at once it cannot be used at all without being further renovated."[1]

Despite laws against both adulteration and substitution, many kinds of preparations purporting to be butter are sold in enormous quantities throughout the country. Of fifty-eight samples of stuff sold as butter, analyzed in Ohio in 1899, fifty proved to be oleomargarine, four to be adulterated and two renovated butter, while two evidently defied nomenclature. Not one sample of the entire lot met the standard tests.[2]

The baking-powder graft has received such excellent treatment at the hands of Mr. Steffens[3]

[1] *Ohio Report* (1898), p. 10.

[2] *Ibid.* (1899), pp. 94–101.

[3] Lincoln Steffens, article on "Enemies of the Republic," *McClure's Magazine*, April, 1904.



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that it would be superfluous to treat it here. Passing mention may be given, however, to the analysis of a certain "alum baking powder" made by Health Commissioner Lederle, in New York City, early in 1902. This powder was widely advertised and sold in large quantities. It was found to contain about 30 per cent. of pulverized rock.

Closely allied to the baking-powder graft is the cream-tartar graft. The cream tartar of commerce, under the analysis of the chemists, is likely to turn out to be anything within a wide range running from pure bicarbonate of soda to a mixture of starch, calcium phosphate acid, and gypsum. Equally deceptive are the flavoring extracts. Vanilla essence is often made from tonka beans, artificial coumarin, and glycerole, while lemon essence seems to be produced from whatever comes handiest to the fabricator. Professor R. E. Doolittle, in his address before the Portland Pure Food Convention, gave the following summary of his investigations in this matter: —

"A few months ago I had the inspectors secure samples of the different brands of lemon extracts for sale in the state. Something like a hundred samples have been received up to date. Of the eighty-six so far analyzed, forty-four show no oil of lemon, or



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at least not enough for estimation; only eight are above 5 per cent., and all except six are colored with some foreign coloring matter, almost all of which are coal-tar dyes. As you are all aware, the extract, spirit, or essence of lemon of the United States Pharmacopeia is a 5 per cent. solution (by volume) of the oil of lemon in strong alcohol, colored with lemon peel."[1]

Strained honey frequently, perhaps usually, turns out to be glucose, pure and simple. Even honey in the comb is often worthless, from the fact that it is produced by sugar-fed bees. Maple syrup would appear to have small right to its name. "If every farm in the state," writes the Hon. Horace Ankenny, Ohio's present Dairy and Food Commissioner, "had had a maple orchard, and made maple syrup therefrom, it is questioned whether there would be sufficient to duplicate the amount of so-called maple syrups found in stock. From the best information at hand, Ohio is no exception in this regard, the other states being as fully supplied with similar so-called maple syrup."[2] Of one hundred and twenty-nine samples bearing this name, analyzed by the Ohio Commission in 1903, only twenty-seven were found to be

[1] *Portland Proceedings*, p. 451.
[2] *Ohio Report* (1903), p. 7.



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pure. "The remainder was made up of syrups of various constituents, some of them containing scarcely any maple at all and ranging from a quite small per cent. on up to 75 or 80 per cent. of actual maple."[1]

Fruit spreads — jams, jellies, and preserves — would seem to be very rarely what they pretend to be. So long as gelatin, timothy seed, and aniline remain at their present low prices, the supply of red raspberry jam is likely to be equal to all demands. Sometimes, of course, actual berries are used, but even in that case apple pulp or gelatin furnishes the base or stock of the mixture. A "peach jelly" recently analyzed in Ohio contained 31.25 per cent. glucose, with "no peaches about it";[2] and a sample of "raspberry preserves" turned out to be a "mixture of glucose, starchy matter, gelatin, jelly, and dried raspberries."[3]

Through almost the entire range of food products adulteration proceeds, in defiance of public health and specific legislation. Even the unadulterable pea is freshened into a vivid green with copper salts, and the cherry is filled with glucose and crimsoned with aniline. The beneficent results of competition in furnishing

[1] *Ohio Report* (1903), p. 7. [2] *Ibid.* (1900), p. 54.
[3] *Ibid.* (1899), p. 132.



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the "best and most rapidly improving supplies" must evidently be looked for in other quarters than those of the manufacturers and venders of food. Only when organized society, the state, intervenes, is the tendency of competition to debase commodities seriously checked. In New York City alone the quantity of injurious food condemned and destroyed by the authorities in one year (1902) was 12,293,761 pounds. The restraint imposed by a fear of the law undoubtedly prevented other millions of pounds from being offered for sale. So that, in the absence of inspection laws, all of these 12,293,761 pounds, and millions of other pounds as well, would have been unloaded upon the consuming public. Of such is the contribution which competition makes to the furnishing of the "best and most rapidly improving supplies" and to the fostering of "modern civilization."

## III

It was fifty years ago that Tennyson solemnly chanted the fact that

". . . Chalk and alum and plaster are sold to the poor for bread,
And the spirit of murder works in the very means of life,"



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and pictured, among others, the dispenser of drugs as a general participant in the universal practice of fraud:—

"While another is cheating the sick of a few last gasps as he sits
To pestle a poison'd poison behind his crimson lights."

Though in fifty years the class interest and function of the master baker have been somewhat modified by the partial enforcement of bakeshop inspection laws, the druggist, it would seem from recent investigations, is as yet "unreconstructed." There are laws, it is true, which are intended to prohibit the things he most delights to do, but they appear to be, for the most part, ineffective. Violations of the laws or ordinances against the sale of poisons appear to be general;[1] and while these are not, strictly speaking, instances of graft, they are at least instances of the assertion of trading-class interest in defiance of public interest. Much more to the point are the concocting and sale of patent medicines, practically all of which are grafts, and the frequent substitutions of wood (or methyl) alcohol for ethyl alcohol, and acetanilid for phenacetin. "Methyl alcohol,"

[1] *Report of the New York State Board of Pharmacy* (1903), pp. 14–15.



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says the latest report of the New York State Board of Pharmacy, "is commonly recognized to be a very dangerous poison."[1] Taken internally, it is known to have caused Saint Vitus's dance, paralysis, and total blindness. Even when used externally, as in certain liniments and tinctures, it is exceedingly harmful. Yet in 1903, Dr. Lederle, then the head of the New York City Health Department, found that some forty druggists were using it, not only in spirits of ammonia, but in tincture of ginger. Acetanilid is generally regarded as a very dangerous heart depressant. Its price, however, is low — about twenty-five cents a pound wholesale — and it thus admirably conduces to the making of profit as a substitute for phenacetin. Dr. Lederle's statement of January 14, 1903, showed that of three hundred and seventy-three samples of alleged phenacetin purchased from druggists in Manhattan and Brooklyn, "three hundred and fifteen were found to be adulterated or to be composed entirely of substances other than phenacetin. Only fifty-eight were pure."[2] A yet more recent investigation of New York City druggists by the State Board

[1] *Pharmacy Report* (1903), p. 14.

[2] *The Health Department* (published by the City Club, New York) (1903), p. 25.



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of Pharmacy revealed the fact that 35.5 per cent. of all from whom samples of various drugs were bought for analysis were selling adulterations. "The results of the analysis" (some nine hundred made during the year), euphemistically says the report, "were in many respects far from flattering if construed as an estimate of the disposition of the average pharmacist to live up to the requirements of the pharmacy law and to the recognized standard of purity and strength of preparations."[1] Verily, there may be other than illusory reasons why numbers of persons give up drugs and go over into the camp of the Christian Scientists.

That class ethics were grievously violated by the energetic Dr. Lederle in his disclosures regarding the offending druggists was roundly charged. "I am permitted to set down," writes Mr. Alfred Hodder, after an interview with the Commissioner,

"that a number of them [the druggists] and several important members of the medical profession remonstrated with him for not having given them warning and for having exposed 'the tricks of the trade,' so to speak, to the public. True, Dr. Lederle is not a doctor of medicine; he is a doctor of science; but the mere letters 'Dr.' before his name,

[1] *Pharmacy Report* (1903), p. 13.



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it seems, should have bound him to a certain *esprit de corps*. The sale to the public of dishonest drugs is a small matter in comparison with the maintenance of an *esprit de corps*." [1]

Along with the adulteration of practically every other thing that is taken into the human stomach, the constant debasement of wines and liquors must not be forgotten. It has been estimated after careful investigation that 75 per cent. of the whiskey sold in New York City would come under the head of adulterations or substitutions. Dr. Lederle's recent investigations showed that the stuff called whiskey which is sold over the bars in the cheaper downtown saloons is not whiskey at all, but a mixture of alcohol with "prune juice" and other aromatics. Even the "prune juice" is usually fraudulent, since in few cases is it derived from the fruit. But though the cheaper whiskey is not whiskey, it is found to be more healthful, or less harmful, than the greater part of the stuff that is sold for 15 cents a glass. This latter, even when a true distillation, is often new and crude, containing fusel oil and other poisons, the whole being blended and flavored into a drinkable compound. "The

[1] Alfred Hodder, article on "Reform that Reforms," *Everybody's Magazine*, November, 1903.



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one article next to oleomargarine," says the Ohio report for 1899, "which appears to be more generally adulterated than any other is whiskey." The report for 1900 admits an improvement in the situation, but declares that forty-one out of one hundred and fifty-one samples analyzed were found to be adulterated.

Wine is even more generally sophisticated than whiskey. Though pure native wines are produced in several sections of the country, particularly in California, New York, Ohio, and New Jersey, the belief is still fostered by interested persons that only imported wines are fit for consumption. The interests of importer, jobber, and dealer are advanced by continuing the demand for foreign vintages, since what pretend to be such almost invariably bring higher prices and a larger profit. Yet it has been shown over and over again that the so-called foreign wine in the market is in the main a synthetic product, and that often it contains no wine whatever. The statement of Professor Robert M. Allen, Secretary of the National Pure Food Association, given to the press on January 15 of the present year, deals with the matter as follows: —

"I learn from the authorities of the municipal laboratories of Paris that 60 per cent. of the French



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wines and 80 per cent. of their champagnes are either adulterations or imitations, notwithstanding the French vineyards had the greatest yield the past two years within a century, and pure wine itself had been very cheap. Much of the wines included in the 60 per cent. never saw a vineyard, and grape forms no part of their composition. The wines and champagnes are adulterated with new alcohol, coloring matter, and acids deleterious to health." [1]

One of our consuls in France has within the last year made the statement that "there are no château or vineyard wines shipped to the United States. The American people drink nothing but labels." It is scarcely more than a year since the German Government prosecuted and imprisoned the head of a great wine industry for fraud. It was shown that his product was a pure fabrication. But it is still being sold here in large quantities. Its name is on the wine list of our fashionable restaurants and hotels, and cases of it are stacked high in the windows of some of our grocery stores. Connoisseurs, whose patrician palates cannot

[1] These statements and the one following have very recently been denied in vigorous language in a communication prepared at the instance of the Associated Wine Growers of Bordeaux. See the *New York Times*, July 17, 1904. The fraud practised in the preparation and labelling of French wines is generally recognized to be very great, though possibly the matter has been exaggerated.



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abide the flavor of a native wine, as well as those who are not connoisseurs, lingeringly sip this concoction and thank the Lord that their tastes are not as other men's.

Of the more than forty-nine million gallons of wines consumed in the United States during the year ended June 30, 1902, only a scant five million, according to government statistics, were imported. It is even charged that much of this latter quantity had been taken from here to Europe, there drowned or sophisticated, and then brought back with the added prestige of a foreign name. However that may be, one gets no notion, from ordinary observation, of the real ratio of consumption between native and foreign wines. The eating-place which admits the name of an American product to its wine list is considered a rather plebeian sort of place. German, French, Italian, Hungarian, and Spanish names crowd the cards, but one may look in vain for such titles as Catawba, Scuppernong, Angelica, or Sonoma. It is much the same in the grocery stores that cater to the wealthy and even the middle-class trade. In the cheaper stores and restaurants are to be found increasing stocks of native wines, but it is likely that the lower price, rather than a popular conviction of the superi-



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ority of the native product, is responsible for the growing demand. The greater part of the wine-drinking public still believes that foreign wines are the better, and that they constitute the bulk of the amount consumed. And all the while the business of the manufacturer of grafting labels undergoes a steady and opulent increase. Here, at least, one may admit the truth of Mr. Bolen's generalization. For under the stress of competition the fabricated label acquires, year by year, a closer approximation to the original, until it becomes difficult to distinguish them. That competition results in the "best and most rapidly improving supplies" may be undiscoverable in all other lines, but in the matter of grafting labels it can be triumphantly shown.



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## CHAPTER VIII

### The Reign of Graft (*Continued*)

If there is any branch of manufacture or commerce in which grafting methods do not obtain, no Columbus of the moral world has yet discovered it and made it known. In most branches there may be, and often is, an honest commodity produced, and it is sometimes honestly sold without extravagantly magnifying its virtues or gulling the public into a belief that this particular thing is what above all others it most needs. But in a world of profit-making — where goods are produced not primarily for use but for sale — the very fact of a stable commodity in the markets forces upon the attention of fabricators the profitableness of a substitute, and the substitute is generally forthcoming. The interest of the dealer is made kin with the interest of the fabricator, by putting the price at a figure which permits not only of ready sales, but of larger profits than are made from the original commodity.



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In furnishing this substitute, wholesaler, retailer, and salesman — even advertising agent and window dresser — are inevitably made participants in an extended process of graft. "There are tricks in all trades," we commonly say, and no one has arisen to point out an exception. From the peanut-vender on the street corner to the heads of the gas trust, grafting methods range in a vast series of gradations, qualified, as a general thing, only by the degree which the particular traffic will bear.

So much applies only to what may be called commodity graft. But the genius of graft manifests itself in nearly all branches of human activity. Wherever something can be got for nothing, wherever a pinch or a squeeze of extra profit can be made in a transaction, wherever falsehood can be made to do duty for truth, or pretence for accomplishment or service, there is observed a metamorphosis of the protean genius of graft. Not in all men, be it understood, is this manifestation made; for in all times, and perhaps in all places, there is that remnant which is led, whether by instinct or consciousness, to ignore the narrower interests of individual or class, and to act in accord with the wider interests of the race. But in all



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classes, in all kinds of human activity, the greater number of men are necessarily controlled by their economic interest and function. They cannot escape from that control any more readily than the bondsman can escape from slavery. No underground railway, manned by eager abolitionists, assists them to an ethical freedom. They are, as a mass, helplessly bound to the prevailing system of industry, and what that system demands of them they must do or perish. The frontiers of human ingenuity are thus constantly pushed forward in devising new processes of graft or in applying old processes to new conditions. There is small graft and there is large graft, differing only as petty larceny differs from grand larceny. In the pettiest, as in the most important acts; in some miserable swindle for a few copper cents, as in some legislative or congressional "grab" involving millions of dollars; in the blatant platitudes of some pastoral servitor of the trading class and in the soothing narcotics of some official economist, are alike revealed the insistent spirit of graft.

The increasing use of the word "graft" by men in all classes is of itself proof of the growth of a wider social consciousness. For it means a growing recognition, though not necessarily



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an acceptance, throughout society, of that prime ethic of the producing classes — the ethic of usefulness, with its implied requirement of a just return for what is received. A great number of actions which once were regarded as legitimate come now to be regarded, however vaguely, as at least questionable. Yet such is the strength of that ethical dualism which we inherit from our primitive ancestors that we are led unerringly to distinguish between two kinds of questionable actions. There is "honest" graft — the kind which our class interest and function make necessary or profitable for us, and which we levy upon persons not of our class; and there is "crooked" graft — the fratricidal sort which is mutually regarded within class lines as ruinous, and which even "thieves' honor" forbids. The grocer who unloads upon an unsuspecting public a baking powder containing 30 per cent. of pulverized rock, or fruit-spreads made of refuse; or the druggist who sells acetanilid for phenacetin, or wood alcohol for grain alcohol, indulges in "honest" graft, as that term is understood by many of his fellows. But he who slights or breaks an agreement with a fellow-trader becomes a violator of class honor, and thereby an enemy of society, religion, and the state. Our class



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interest and function determine our conduct, and though with the growth of a general social consciousness we come to a clearer recognition of questionable acts, our class conscience still sanctions the things we find it necessary — or in general, profitable — to do. The eternal conflict between Ormuzd and Ahrimanes thus takes on, in modern society, an altered form. Though the code of the dominant class — the traders — with its ethic of deception, strongly influences the ethics of all society, the measure of that influence is qualified by the awakening of the producer consciousness, with its fundamental ethic of usefulness. And though under the stress of class needs as well as by insensible imitation of the practices of the dominant class the units of the subordinate classes practice graft, they come slowly to know it for what it is. Out of that growing recognition, due to the acceptance of the ethic of usefulness by increasing numbers of men, must come a large part of the ethical progress of the world.

## I

The manifestations of petty graft multiply like bacteria in gelatin. A single bacillus planted in some favorable culture produces, in



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brief time, millions of its kind. The estimable Mr. Edward Bok, of the *Ladies' Home Journal*, discovered, on his recent visit to New York City, that the metropolis is a most favorable culture-ground for this microbe. Some of his experiences, as summarized in *Harper's Weekly*, were as follows: —

A railroad cabman wanted 85 cents for bringing him to his hotel; proper charge 35 cents. The hotel news stand wanted 10 cents for a newspaper; proper charge 3 cents. Fee to waiter for dinner, 15 cents; waiter grumbled and was reported. Cab to the theatre, charge $2; proper charge $1. For 100 violets, charge $8; paid $4. Theatre, all seats sold; referred to speculators; summoned manager and got two excellent seats forthwith. Cab back to hotel, charge $2.50; paid $1. Crackers and milk for lunch, charge 60 cents; appeal to manager; paid 20 cents. An antique shop wanted $75 for a bogus Delft plate; protest; plate reduced to $3. Five-dollar andirons offered to visitor for $40. Worked-over print offered him as original drawing. For haircut and shampoo, charge $1; paid 60 cents. For moving trunks, charge $1.50; paid 50 cents. Hack to ferry, charge $2.50; paid $1.25.

These were not all his experiences, as his published account abundantly testifies. But they were enough to indicate to him that petty graft flourishes on the island of Manhattan.



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That he has published nothing regarding similar practices in the neighboring city by the Delaware is but another proof of that ethical dualism which blinds us to home graft and sharpens our seeing of the alien kind. For if recorded observations of disinterested persons count for anything, Philadelphia must be placed high on the list of grafting communities. It is so merely by reason of its being a great city, where millions of commercial and industrial transactions take place yearly. Difficult, and perhaps impossible, is the attempt to prove fundamental differences of character in the citizenship of one American city from that of another. Graft is no respecter of locality, race, color, or condition of servitude. It obtains in all places where the struggle for individual advantage is carried on; and it is greatest where the struggle is fiercest and where the transactions are most numerous.

Petty graft, though no respecter of persons, has doubtless its most characteristic victims in the poor. The tipping graft is of course an exception, for it is levied mainly upon the well-to-do; but it is an exception whose singularity confirms the rule. Adulterated foods are particularly directed at the poor, as are also shoddy cloths, short-measure threads, collapsible furni-



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ture, and a long list of debased commodities in various lines. In the same class belong the grafting practices of the "loan sharks," storage warehouse extortioners, instalment swindlers, and miscellaneous parasites in and out of regular establishments, who batten on the flesh and blood of the unfortunate. Here, too, is to be included the graft levied upon work-people by manufacturers in the parasitic trades — such as artificial flower making and children's garment making — who almost invariably make large deductions from wages on trumped up charges of "spoiled work" and "late delivery," a swindle from which there is no appeal.

The rapacious fines levied upon employees in the great department stores are of the same class. The graft of the quack physicians is also an enormous tax on the poor, and another, yet more heavy, is that of the army of mercenaries, with things to sell and schemes for investment, who descend on the workshops of the land on pay-days. "When labor has its hard-earned wages in hand," says a recent writer in the *Atlantic*, "an army of buzzards and vultures springs out of the earth, drops out of empty space, gathers from the four winds, to batten on their natural prey. An increase of wages, which is often so bitterly fought for, is



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of little real advantage while the sumpter class hovers so close with avid maw, eagle eye, and dexterous talons."[1] Though the state occasionally intervenes, though a public-spirited body like the Legal Aid Society and a public-spirited attorney like Mr. Lewis Stuyvesant Chanler interpose some barriers in defence of the poor, petty graft still abides with us. Convicted grafters may languish temporarily in jail, and dead grafters may moulder in the ground, but the eternal soul of graft goes marching on.

One of the worst forms of petty graft, which was just developing into an established business in New York City when the state unkindly intervened, was the "fake" instalment trade. The matter has been made the subject of a careful study and an excellent report[2] by Mr. Henry R. Mussey, now an instructor in political economy in Columbia University. This graft was practised principally on the poor and ignorant Italians of the East Side. A watch or a bit of jewellery would be delivered to the victim on his making a small cash payment and signing a contract to pay in instalments a sum three

[1] Jocelyn Lewis, article on "An Educated Wage-earner," *Atlantic Monthly*, January, 1904.

[2] Published by the University Settlement Society, New York (1903).



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or four times what the article was really worth. The contract would often afterward be altered in any way suiting the convenience or the fancy of the dealer. On a default in payment, the buyer would be summoned to court, and on his failure to appear, a body execution would be issued against him, and a squad of mercenaries, including a city marshal, would descend upon him and compel him or his friends and relatives to disgorge the full amount named in the contract, with legal costs added. The default in payment, it should be understood, was often, if not usually, due to the dealer. "Though the purchaser may be perfectly ready to make his payments," wrote Mr. Mussey, "no one appears to collect them." It was to the dealer's interest that payment should be defaulted, so that by a legal action he could compel a disgorgement of the entire amount. It was also to his interest that the summonses should not really be served —and usually they were not. The marshals were in collusion with the dealers, and so, it appears, was at least one judge. The extent of this graft may be estimated by Mr. Mussey's statement that one-sixth of all the cases transacted in the three East Side courts (probably for the year 1901) were instalment cases, and that of 697 body executions issued by municipal



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courts in 1900, 594 were of this class. So crying an evil did this graft become that the Albany Solons were persuaded into the enactment of a law abolishing body executions for small debts.

The "loan shark" graft is another which recently developed to unendurable dimensions, and thereby brought down upon itself the iron hand of the law. Of the rapacity of these grafters the tales told by victims to Assistant District Attorney Kressel, of New York County, in January and February of this year, are almost incredible. Once in their power, the victim had small chance of escape. The borrower in one case was compelled to pay $31.50 interest on a loan of $19.75. Another paid $36 on a loan of $25. Another, after paying back a loan of $25, with $15 interest, had his entire stock of furniture, including his baby's cradle, seized for default in further payments, and was told he was still indebted to the lender in the sum of $16.50. These "loan sharks" had been operating for years, and their exactions had grown constantly greater, in spite of the competition among them for business; but it was not until the beginning of the present year that any serious steps were taken to deal with them. When attacked, they prepared to resist, and



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according to a statement in the *World* of February 4, raised a defence fund of $2500, agreeing to swell this amount to $25,000 if needed. It does not appear that the fund was used. On February 9 the announcement was made from the District Attorney's office that the "loan sharks" had been practically driven from New York City.

The various employment agencies of a great city are an effective machine for levying petty graft on the poor, and they have recently been charged with much graver offences. A thorough investigation by a social reform body in New York City revealed evidences, as a writer declares in a recent issue of *Charities*, that through these agencies, ten thousand girls are annually lured into houses of ill-fame.[1] The state has several times intervened to correct the grosser evils of these bureaus, and has even established a state bureau in the metropolis, but the indomitable spirit of graft has, in this instance, so far withstood assault. The quack-doctor graft has also successfully resisted attack. The infallible curers of consumption and restorers of lost vitality are still busy and opulent. The recent investigation and published report of the Charity Organization Society of New York City on the consumption-

[1] Frances Kellor, *Charities*, February 6, 1904.



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cure graft was thought by many persons to be the prelude to the complete annihilation of this swindle. These expectations have not been fulfilled. With that sublime audacity, energy, ingenuity, and initiative which our ethical teachers and economists tell us always bring their rightful reward under the competitive system, these therapists have extracted from the Charity report the denunciatory passages, transformed them into commendations, and sown them broadcast. As a consequence, the curer of consumption still sits at the receipt of custom, and enjoys the fruits of his superior abilities.

Of the graft, petty in particular incidence, but enormous in the mass, which is constantly levied about the police and municipal courts of a great city by a crowd of "shyster" attorneys, attendants, marshals, furnishers of "straw" bail and unofficial parasites, sometimes in collusion with the magistrate or judge, it would be idle to attempt to speak in this place. A generous volume would be required to deal with the subject properly. The administration of justice in the average police court and lower civil court of a great city — whether it be in New York, Chicago, or Philadelphia — is admitted by all competent observers to be a standing disgrace to civilization. The moral



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life of the poor is constantly poisoned in these places, where they come most closely in contact with the state; and whatever naturally developed ideas of justice they may have, are soon purged from them in these earthly infernos.

It will be impossible also to dwell at length in this place upon the various forms of minor commercial graft, such as trademark and label imitation, which persist in spite of laws and prosecutions; the short-thread graft, which has been within the last few months the subject of a new law in New York, and the shoddy graft, which reaches its greatest distinction in America — that land of the free and home of the cheap coat. Mere mention only can be made of the flourishing diploma graft, by which aspiring but unindustrious youths are enabled to get sheepskins certifying to their proficiency in any desired calling; of the "Paris-gown" graft, which has recently been the subject of a formal protest by the Women's Garment Makers' International Union; of the "twisting" graft in life insurance — the practice, until lately generally indulged in by agents, of selling policies in their own company to take the place of policies already taken out in other companies, and lastly of the claim graft levied by small traders upon fire insurance companies.



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The extent of this last-named graft may be judged from the recent estimate of Assistant District Attorney Garvan, of New York County, that from 30 to 40 per cent. of all claims for losses at fires involving damages of $10,000 or less, were fraudulent.

It would not be so utterly bad — there would still be a glimmer of light in at least one direction — if it were not that many among a certain class of our professed representatives, the daily newspapers, catching the spirit of the times, show the same propensity to graft. Any one who studies the legends on the various evening editions of the dailies must wonder at the impudence of the attempted deception. There are "6 o'clock" editions published at noon, "latest evening" editions at 11 A.M., and "10 o'clock" editions at 6. The bucolic reader in Podunk, R.I., or in Culex, N.J., who at 6 or 7 o'clock gets a paper printed at 11 in the morning, but purporting to be a "latest evening," is flattered into believing that for his benefit the newspaper manager has annihilated time and space, and given him his news almost with the speed of the telegraph. This is but one, however, of the many grafts which up-to-date journalism practises upon the public. The fake-portrait graft in our illus-



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trated dailies is one of the pettiest and most impudent swindles of the time. One may see the same countenance and figure doing duty over and over again, now for a poor girl robbed of her savings, now for an eloping bride, and now for the heroine of some desperate adventure in the Balkans. Perhaps four-fifths of all the illustrations, both of persons and of scenes, appearing in the daily newspapers of New York City, are pure swindles, purporting to be something which they are not. Circulation claims, upon which advertising is secured, constitute another common form of journalistic graft, and claims, often quite as pretentious and absurd, of exclusive agency in the securing of certain legislative or administrative reforms, another. But the great graft of all is the news graft. Of the manner in which news is pruned or doctored to suit the prejudices of a particular constituency, or in which it is made up to create a sensation, there is not room here fittingly to speak. A chapter, at least, would be necessary for even an outline of the subject.

## II

Instances of the larger forms of commercial graft may be studied to advantage in Mr.



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Henry George's series of articles on "Modern Methods of 'Finance,'" appearing in *Pearson's Magazine*. The steel, shipbuilding, and asphalt concerns, and the wrecking of the Third Avenue Railway Company, are treated therein to a careful analysis. Miss Tarbell's *History of the Standard Oil Company*, which appeared in *McClure's Magazine*, and Mr. Thomas W. Lawson's series of articles on "Frenzied Finance," now appearing in *Everybody's Magazine*, will also prove helpful. There are many other enormous grafts. The particular graft of the Whiskey Trust, otherwise the American Spirits Manufacturing Company, that of wrecking subsidiary companies to the great profit of the officials, was revealed to the public through proceedings in the Supreme Court of New York last April. In the previous December the Salt Trust came up in Part I of the same court for an overhauling. An application had been made to confirm the sale of five salt plants made by the National Salt Company to the International Salt Company. The application was opposed on the ground of fraud and collusion between the officers of the two companies, and the decision of Justice Leventritt supported the charges. "The terms of the sale," he declared, "and the manner of their procurement,



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the methods of the sale and the manner of bidding, and the gross and patent inadequacy of the price realized, combine to shock the conscience of the court, precluding any affirmative act of approval on its part." Grafting methods were shown in the selling as well as in the financing operations of this company. A particular brand of salt, of great professed purity, and selling at a high price, was laughingly admitted on the stand to have "come out of the same kettle" as the supposedly inferior brands. The wrecking of the Trust Company of the Republic and of the Federal Bank are still fresh in the public memory, and yet more recent have been the revelations regarding the long-continued poolroom graft of the Western Union Telegraph Company and of the local telephone company. High and low, near and far, throughout the range of business, the operation of graft would seem to wait solely upon opportunity.

Testimony regarding the increasing number of grafting corporations in the cities is given by Mr. Alger in a recent number of the *Atlantic*:—

"It seems quite apparent that there is in the great cities a constantly increasing volume of business done which is either fundamentally fraudulent, or which



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depends upon fraudulent means for the large financial success which it often obtains. Take, for example, the Sunday edition of almost any great metropolitan newspaper and study its advertising columns. Leaving out of account the department store announcements and the want columns, consider what a large part of the remaining advertisements bear the mark of almost obvious fraud. During the past few flush years these papers have been crowded with alluring advertisements of corporations with enormous capitalization, whose stock is issued, generally in small denominations, to place it within the reach of 'small investors': tempting gold and copper mines for the discontented janitress and ambitious elevator man, corporations with new processes and machinery to revolutionize the manufacture of household articles or necessities, corporations exploiting startling inventions calculated, on paper, to reverse the ways of commerce. An investigation would probably show that a majority of these companies are created solely for the purpose of selling stock, and without the slightest intention on the part of their promoters or officers of doing any legitimate business with the money acquired. During the Klondike fever a few years ago corporations of this kind were born daily in New Jersey and West Virginia, with enormous paper capital, with a reasonable sprinkling of respectability in their directorates, and with glittering prospectuses, compared to which the South Sea Bubble was both honest and conservative. It may be doubted whether of the dozens of these highly advertised companies,



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organized to sell stock and work the gold mine of public credulity, there is one in active existence to-day."[1]

Unpunishable, or at best but lightly punishable, as Mr. Alger laments, is most of this kind of commercial crime. And yet the traders, being dominant in legislation, in administration, and in judicial interpretation, could, if they seriously desired, punish it severely. They do not, and for good cause. Though much of it is of a character that calls forth only censure from "honest" traders, yet the trading-class interest is ever reluctant to set bars to individual initiative. Each feels that a restrictive law may somewhere, at some inopportune time, invade his own liberties, and he is thus willing to permit the continuance of grosser forms of graft than his conscience will sanction.

## III

Graft flourishes probably at its best where business touches government. The prizes are large, and they are eagerly pursued alike by the seekers of privilege and the sellers of commodities. Despite the reiterated assertions of the retainers, eager to extol the blessings of

[1] George W. Alger, article on "Unpunished Commercial Crime," *Atlantic Monthly*, August, 1904.



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private ownership and operation, it is a well-known fact that government of itself — that is, public service uninfluenced by outside interest — is, on the whole, far more honestly administered than is private business. The kinds of graft that are constant and universal in the buying and selling transactions of private business, are but local and occasional in public business; while as for thefts and conversions in the one service as against the other, there is no reasonable comparison. The March number of *The Bulletin* of the Fidelity and Casualty Company shows, for instance, that of embezzlements and defalcations throughout the country for the month of December, 1903, amounting to $2,072,508, only $7368, or three-tenths of one per cent., was due to federal and state employees, and but $8587, or four-tenths of one per cent., to municipal employees. The remaining 99.3 per cent. was taken by employees — including the holders of trust funds — in private business.

But, as Mr. Steffens has shown in his valuable, though somewhat belated discovery, when private business comes in contact with government, the almost inevitable result is graft. Untouched by other than the ordinary temptations of life, the public official is usually



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honest, and is very often — even under the present individualist code of ethics — buoyed up by a sense of public duty which prompts him to do his work faithfully and well. But all about him business spreads its snares, offering, if he has anything worth buying, the richest prizes for delinquency to his trust. If he is an alderman or an assemblyman, he can be useful in aiding to vote a franchise or to defeat a regulative bill; if a congressman, he may be still more valuable in legislative matters, and able, moreover, to push business before the departments. If an administrator or judge, he has yet another scope of usefulness. Against all of these, against pettier officials as well, against all in the public service who have anything to grant which business wants, a more or less constant pressure is directed. It may be remotely indirect. The official may be wholly removed from contact with the privilege-seeker or the commodity-seller; the pressure may be exerted through social, political, or ecclesiastical channels; it may be exerted solely through a boss, himself the direct mediary with the business interest. But however exerted, it is forceful and constant, and often impossible to resist.

It is doubtless in the municipal governments



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that graft upon the public service is most conspicuously shown. For here individual, firm, and corporation come in closest contact with the public service. Of individual grafters the tax dodger is perhaps the most striking example; and the total loss to government from this source is enormous. It has been estimated that the public loss from tax dodging in New York City averaged $20,000,000 a year between 1898 and 1900. Far more extensive is the corporation graft. Most of the larger municipalities have great powers for giving or withholding valuable privileges, and can exercise wide discretion in administering the laws. Business will have its own — or what it claims for its own; and the revelations regarding graft in a number of our greater municipalities, that from time to time are made, are instructive alike on the character of these claims and the methods for securing them. New York, St. Louis, Chicago, Pittsburg, Philadelphia, Cincinnati, Minneapolis, Boston, New Orleans, Detroit, and Grand Rapids have all been held up to the wondering gaze of the public, and all, allowing for certain differing particulars, show much the same story.

From the municipalities to the state is but a step. The St. Louis circle of grafters ex-



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tended their power to the legislature and to the courts, and through these they controlled the city and the state. "Laws have been sold," declares the presentment of a St. Louis grand jury handed down on May 29 of the present year, "to the highest bidder in numerous instances that we have evidence of. Senators have been on the pay-roll of lobbyists and served special interests instead of the public good. It is time that the people should be awakened to the awful condition of things in their general assembly."

Missouri has by no means a peculiar distinction in this matter. If there is any one of the forty-five states of the Union in which graft on the public service is unknown, the fact has not yet been published to the world. There are, however, differences of degree; and some five or six of the states seem to have reached an eminence in grafting not yet attained by their rivals. The latest session of the New York Legislature was generally considered to have been the most corrupt session since the days of Tweed. The corporations closed in upon Albany, with a consequence that bills of the sort popularly known as "grabs" were passed in blocks. An equal distinction applies to the latest session of the New Jersey Legislature.



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An open letter, published on March 24 of the present year, written by the mayor of Jersey City, who is a member of the political party which controlled this legislature, declares that "its record on the whole is bad, and in some respects disgraceful. Its control by corporate interests, in the assembly at least, has been absolute." Pennsylvania long ago acquired its more or less estimable character in this respect, and has so well and so evenly sustained it that it would be difficult to say of any session of its legislature that it was worse or better than its predecessor. Illinois has for many years enjoyed a somewhat similar reputation, and from recent disclosures it would appear that Wisconsin has developed ambitions to rival its sister states. Colorado, too, must not be forgotten. A mandatory constitutional amendment requiring the legislature to enact an eight-hour law was recently, at the command of certain corporations, entirely disregarded; and the executive department of the state has since then hired out the militia to the same corporations, for money actually advanced by them. Least among the commonwealths, but by no means last with respect to grafting, is Rhode Island. A series of articles published in the *New York Evening Post* dur-



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ing March, 1903, gives something of the story of this wretched satrapy. It is a state owned, soul and structure, by a few corporations, with a United States Senator as executive manager.

From the state capitals to Washington is but another step. The secret relations between business and government are plainly indicated in a great deal of congressional action; but it is only under extraordinary circumstances that the individual transactions of congressmen with business interests become known, and we are treated to spectacles such as the trials of two United States Senators and a former Representative for grafting, while at the same time a great number of congressmen in both houses are formally charged in an official report with grafting on the postal service. The pension system has long been a favored field for congressional grafting, and the railway mail service another. When one considers that some $38,000,000, or about one-fourth of the total revenues of the Post-office Department, is yearly paid to the railroads for hauling mail; that the rate per ton per mile is about twenty-five times as much as that for freight, and that the yearly rental paid for each mail car is considerably greater than the cost of the car, he may understand how valuable must be



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the graft involved in this service. Even petty graft is not beneath congressional dignity. The bill introduced by Representative Gillett, of Massachusetts, in February of the present year, abolishing clerk hire, mileage, and stationery allowances, and adding $2500 to the congressional salary, was an acknowledgment of current abuses in these charges, and an attempt to correct them.

The graft in the various departments follows closely upon, and is generally associated with, congressional graft. The Post-office Department has been a rich field for the grafter since long before the days of the Star Route frauds. The railway-mail-service graft, already referred to, is a conspicuous instance. But the recent disclosures following upon the Tulloch charges have shown that no pent-up Utica contracts the powers of the postal grafter. The whole, the boundless ramifications of the service are evidently his. And though because of the dismissal of certain officials, and the trial and conviction of some among them, the assertion is now made that graft has been eliminated from this department, the public waits only some now unapprehended circumstance to bring before it a fresh series of disclosures. The Navy Department has had its armor-plate



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swindles, and more recently its naval supply-fund scandals, and the odor of embalmed beef yet clings to the War Department. In certain bureaus of the Interior Department, particularly those of public lands, pensions, and Indian affairs, graft has long maintained its hold. Within the last year a new scandal was brought to light — a gigantic series of frauds in the acquirement of several hundred thousand acres of public lands under the Forest Reserve Lien Land act of 1897. On top of this it was shown, in the report of Commissioner Richards (November 1, 1903), that unlawful enclosures of land have been made during the previous year to the extent of more than 2,600,000 acres. Fresh grafts were also revealed in the conduct of Indian affairs. The special report of Messrs. Charles J. Bonaparte and Clinton Rogers Woodruff on a series of charges preferred by Mr. Brosius, of the Indian Rights Association, declared that the members of the Dawes Commission, who were appointed to protect the rights of Indians in their lands, had become interested in land-speculating companies, and were in fact leagued with other exploiters of the Indians. In addition, many of the so-called trust companies operating in the Indian Territory, under the sanction of, and probably



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in collusion with, the commission, were declared to be "little more than associations of individual 'grafters.'" So long as business continues — so long as the individualist, competitive struggle for the means of life endures — there will be a trading class such as that of to-day, and it will inevitably graft upon the rest of society, with a particular aim at the public service. Seed-time and harvest may fail, and the rainbow disappear from the sky; but the grafter and all his works will assuredly remain.

And why is it that men graft? It is not because they are innately dishonest. On the contrary, one is probably safe in postulating a universal aspiration toward honesty. But whatever one's ideals may be, he is necessarily the creature of his time, and the most powerful determinant of conduct in any particular time is the prevailing mode of production and distribution. Under our present mode the individual is forced to seek a material advantage over his fellow; and his ethical standards, as a matter of course, sanction the acts which are necessary, or in the main profitable. Our practical ethics develop hand in hand with the development of industry; they are modified by modifications in the form of production, and



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in general they accord with our material interests. Men graft because it is to their interest to do so, and because, it being to their interest, they do not, as a rule, recognize graft as wrong. It cannot be otherwise, no matter what is preached or taught by a few individuals providentially placed apart from the unremitting struggle. So long as men consent to abide by an individualist, competitive mode of production, they must seek an advantage over their fellows. The character of that advantage cannot be moralized by religion; it cannot be purified, except in spots, by law. It is determined by necessity, and necessity, according to the adage, knows no law. Only by removing the incentive will society eliminate graft.



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# CHAPTER IX

## The Failure of the Trading Class

### I

The traders are now, and have been for nearly three-quarters of a century, the rulers of the civilized world. They are not, in all places, the absolute rulers, for in many countries their attempts at complete dominance have been successfully resisted by opposing classes. But in all Western countries they are the most influential class, while in America their measure of power is practically unlimited. Here, though antagonistic interests of individuals and groups within this class oppose one another, creating issues which must be fought out or compromised, yet the general interests common to the whole class of traders dominate society, and are enshrined in all its institutions.

It is pertinent to inquire how the traders have administered the world's affairs. The student of social problems cannot doubt that insecurity of livelihood is more widespread



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now than ever before in history. In even the most prosperous times there is, in all civilized centres, a vast mass of poverty, want, and degradation; while during the frequently recurring depressions of trade, multitudes are forced to the verge of starvation. The wealth created by the producers is not retained by them; the processes of trading-class industrialism divert a great part of it into other hands. Fraud and deception are fostered and prevail in all activities. A fierce and unremitting battle is waged, wherein, as a rule, every man must strive to get the advantage of his fellow, wherein the cunning and the strong are victors and the weaker or more scrupulous are blotted out and eliminated. A vast horde of retainers hang upon the victors, and fed by their bounty, disseminate through pulpit, schoolroom, and press, trading-class views of life and conduct, while they ridicule the aspirations for justice and universal welfare which arise in the hearts of the producing classes.

Obviously those persons in charge of a trust should be capable of proving an organic capacity to administer it. The great business men of the world — the captains of industry — are, as a matter of fact, the world's trustees for production and distribution. Have they ever



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shown a comprehension of the social functions which ought rightly to pertain to true captains of industry? Have they, for instance, ever come together to work out a plan for making production and distribution continuous, so as to prevent the terrible stoppages that so frequently occur? They have never even thought of doing such a thing. And why not? Because they have no instinct for general trusteeship, and no instinct for cohesion. Being traders, their dominant instinct is for individual motive and action. The making of profit is everywhere their one aim, and in the prosecution of that aim they are necessarily impelled to struggle with one another and with all mankind. Their minds cannot grasp the idea of responsibility to the mass, nor the idea of general welfare for its own sake. They instinctively reject every movement that would put a check upon the opportunities for profit. "No profit, no production," is, negatively expressed, their rule of action.

The business of the trader is to make profit, and he must school his mind to this sole purpose. He must exclude from his business mind all thought of how his operations affect others, except in so far as the effect may react on his own profits. He must scorn as "bad



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business" all such considerations as whether the things he makes and sells are really needed; whether they get to the people who need them, and whether the people who make them under his direction work and live in such conditions that they in turn can obtain and enjoy the things they need. His business mind must be steel-plated against any impressions from such considerations. And if, like Mr. N. O. Nelson or the late Mayor Jones, he does give weight to such considerations, he is, to the extent that he does so, a failure as a business man: he has not made the profit he might have made, he has not exploited his advantages to the full.

Do the traders feel any collective responsibility, as employers of the masses, of seeing that the conditions of the employed producers are good — that their labor is carried on in a healthful way, and that they are healthfully housed? As a class they have steadfastly opposed, in all times since the beginning of capitalism, and they still oppose, every movement for safeguarding the health and lives of the workers in their employments. More men are killed and wounded every year by the railroads that employ them than were killed and wounded by General Lee's army in the sangui-



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nary three days' conflict at Gettysburg; the coal mines approximate fifteen hundred killings and thirty-five hundred maimings yearly, while the casualty list of the factories, though uncomputed, is known to be enormous. Yet every effort to lessen the number of these casualties, so long as it involves expense, is resisted. The Safety Appliance act of 1893 was bitterly fought, and it was not until amendments greatly modifying its terms — in particular the granting of seven years' grace for compliance — were added, that the railroads would permit its passage. Equal resistance is shown to the various bills in the state legislatures providing for the guarding of dangerous machinery, and the regulation of other conditions of employment. Life is but a bagatelle when it stands in the way of profit.

If anything could awaken in the ruling class a sense of guardianship of the people's interests, it would be the sight of helpless children in the factories. Yet from the beginning of the régime of the traders, children have been done to death by wholesale for profit, and all efforts to shield them have been resisted. It is true that some trading-class sentiment in behalf of the children in Southern factories has recently been voiced; but its home is in the North. Along



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with a great deal of purely humane and disinterested feeling that has been aroused over this matter, is the *interested* feeling of a part of the trading class of a section where child labor has been restricted by the state, against competitors in a section where there are few or no restrictions. In the South the exploitation goes merrily on; and all the old arguments regarding the moral peril of children not at work, that did service eighty years ago in England, are made to do duty again in preventing regulative laws.

The sight of old men who have toiled all their lives for the profit of others, and are in their age left helpless and destitute, might also touch the trader's sense of guardianship, if it existed. And yet the one obvious relief for these veterans of industry, consonant with their self-respect — old-age pensions — is assailed by the traders with the utmost vehemence. So reasonable, so just, so moderate, a measure would seem scarcely to require arguments in its favor. It would modify, though meanly and inadequately, one of the ghastliest defects of the capitalist régime — the privation and suffering to which the rank and file of the great industrial army is inevitably doomed. But the trader mind will not concern itself. Certain corporations, it is admitted, have



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recently established old-age pensions. But the conditions imposed are such that relatively few employees can ever hope to fulfil them, and the motive prompting the action is universally understood to be the hope of weakening the bond between the employee and his labor union. General old-age pensions as an act of justice by society to its toilers are not in accord with trading-class ethics. They do not make for profit, and therefore are not to be considered.

The traders, though in control, give no sign of a sense of trusteeship. They do not look beyond the frontiers of their own interests. Governed by the ethic of contract, they recognize no responsibility beyond that nominated in the bond. While the producers, or at least that part of them which has become conscious of a class community of interest and a class mission, look forward to a universal commonwealth, in which classes shall be abolished, the traders look forward only to an eternal continuance of wrangling classes, a perpetuation through all time of cheap buying and dear selling. The warless ideal of the producers is to the traders a vaporish dream; and that any one should expect of them even the remotest tolerance of such an ideal is to their minds a subject for amused wonder.



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The domination of the trading class shows its most characteristic fruit in our corrupt governmentalism. In England, Germany, and France government is relatively pure. But in those countries, the trading class, though a great power, has never been able to gain complete dominance. It has been constantly, though with declining force, resisted by other classes. The political contests in England were for many years during the last century nothing else than struggles for supremacy between the trading class and the landed aristocracy. Both in England and on the continent the traders have gradually advanced their position, but have never reached undisputed control; and the consequence has been a series of compromises by which governmental forms and practices that had their origin in the later feudal times have persisted. The feudal régime exploited labor as does modern capitalism; but along with its particular form of exploitation it developed in its servitors a spirit of devotion to duty, of loyalty to the state, and of obligation of a certain sort to their dependants. Both in England and in Germany, and to a less extent in France, the traditions and precedents governing the conduct of public officials have followed the earlier ideals, and have in large measure



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withstood the assaults of trading-class influences.

But in America the trading class has been for many years supreme. It was practically so during the two decades before the Civil War, and it has been truly so since then. No antagonistic class has been sufficiently strong to defeat it, or even to force from it important concessions. The main political result is to be seen in the general practice of the buying and selling of all the powers of government. No tradition of public duty possesses the traders as a class; they see what can be gained for themselves by corrupting the public service, and neither tradition nor ideal restrains them. Of what other civilized nation could the following indictment be seriously made? It is written, we believe, in all sincerity, with a confessional note running throughout it, by one who has had the best of opportunities for ascertaining, "from the inside," the truth of what he here says: —

"At no time in the history of the United States has the power of dollars been as great as now. Freedom and equity are controlled by dollars. The laws which should preserve and enforce all rights are made and enforced by dollars. It is possible to-day, with dollars, to "steer" the selection of the candidates of



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both the great parties for the highest office in our Republic, that of the President of the United States, so that the people, as a matter of fact, must elect one of the "steered" candidates. It is possible to repeat the operation in the selection of candidates for the executive and legislative conduct and control of every state and municipality in the United States, and with a sufficient number of dollars to "steer" the doings of the law-makers and law-enforcers of the national, state, and municipal governments of the people, and a sufficient proportion of the court decisions, to make absolute any power created by such direction. It is all, broadly speaking, a matter of dollars to practically accomplish these things."[1]

The traders dominate, and under their control the government becomes little more than an agency for furthering trade. "Of gods, friends, learnings, of the uncomprehended civilization which they overrun," wrote the late Mr. Henry D. Lloyd, in his *Wealth Against Commonwealth*, "they ask but one question: How much? What is a good time to sell? What is a good time to buy? . . . Their heathen eyes see in the law and its consecrated officers nothing but an intelligence office, and hired men to help them burglarize the treasures accumulated for a thousand years at the altars

[1] Thomas W. Lawson, article on "Frenzied Finance," *Everybody's Magazine*, September, 1904.



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of liberty and justice, that they may burn their marble for the lime of commerce." In all things that make for social and moral progress and for the right government of men, the ruling class of traders has steadily failed in its duty. It has not only failed utterly in actual administration, but as a class has failed even to comprehend the social need. It has now played its part, and must in time, by reason of resistless forces everywhere at work, give way to the rule of another class.[1]

## II

To point out the failure of the trading class, economically and socially, is not necessarily to denounce the individual trader. As men, there are good and bad among traders, as in every other class. In general they are honorable, according to the ethics of their class; disposed to be fair, as they understand fairness. A great number of them are men who are faithful to the last degree in every engagement, expressed or implied; public-spirited, in accord with their

[1] For an opposite presentation of the trader, wherein he is extolled in the highest terms, the recent *Centennial Oration* delivered by D. P. Kingsley, A.M., at the one hundredth commencement of the University of Vermont, should be read. It has been printed in pamphlet form.



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understanding of public needs, and willing to spend time and money for such public interests as seem to them right; good-hearted, also, and eager to help, with sympathy and means, a human being in distress.

And yet their virtues are, even at the best, as an inevitable result of the guidance of trading-class interest and the exercise of the trading-class function, generally individual and non-social. Their sense of *individual* obligation is often strong when they have but a feeble sense of *social* obligation. Kind and generous as they may be to their kindred and friends, they can yet look upon the great masses of their fellow-beings as strangers and enemies. Even where their actions most closely approach a truly social character, as in benefactions for public purposes, they still cling to the individualist code, and evade the real and crying needs of society. They cannot look at society as an organism of interdependent parts, but only as an aggregation of warring units. Rarely do they even so much as apprehend the ethic of fellowship. Their public gifts are devoted to other than the fundamental things; they give to relieve the distress occasioned by the present system, or to encourage and develop the particular kind of skill and adroitness needed



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under it, but rarely or never for the correction of the glaring defects of the system itself. They donate to charity, or they endow or found a library, but never do they give to promote a movement that aims to modify the fratricidal struggle among men. A movement such as that seeking the abolition of child labor (unless for some section competing with their own), or the guarding of machinery, or the establishment of a minimum wage, is to them an interference with a divine order. "Save who can," is their motto for the unceasing conflict, though they generously offer to train, in their colleges and technological schools, a part of the coming generation of combatants, or to soothe, in their hospitals, the sufferings of a fraction of those who are struck down in the battle.

It may even be said that the net result of many of their benefactions is nothing less than the prostitution of the recipients — in particular of writers, preachers, and educators. For the natural tendency among those endowed by their bounty is to accept the warring, exploiting, and deceptive code of the traders and to disseminate it as a creed for all mankind. While those who submit to this influence are but human in doing so, the few who resist being of a pecul-



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iarly heroic stamp, and while the traders who exert this pressure are, for the most part, unaware that they are doing anything socially injurious, believing they are but exercising their rights, the process is nevertheless most injurious to the people, robbing them on a vast scale of indirect economic help and of direct spiritual help. The right function of these social servants is perverted, and society is thereby a sufferer. Thus, even in their more social aims, the traders too often succeed only in a further corruption of the social organism.

## III

Whatever their individual virtues or defects may be, the traders as a class have failed dismally in administering the world's affairs. And so obvious to great numbers of men is this failure, and so intolerable is the burden which it entails, that now an opposing class, ever increasing in numbers and ever attaining to a clearer consciousness of its mission, threatens the traders' dominance. A class it has been termed; but it is something more than a class. It is a union of all men whom the burden and pressure of the trading-class régime force to like action in the assertion of their economic



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claims, and in whom is awakened a common hope of a reorganization of society and a determination to achieve it. At its centre is the class of wage-earning producers; and it is flanked by other producers; by such social servants as have risen above the retainer mind; by such of the petty manufacturers and dealers as see in the continuance of the present régime an approaching ruin of their livelihoods; by men of whatever class in whom the love of usefulness, or the love of fellowship, or the passion for social justice, is intrinsically stronger than the love of profit or of individual advantage. It is the Social-minded Mass arraying itself against the unsocial-minded classes.

Its base and centre, as has been said, is the class of wage-earning producers; and the movement is impelled by a sense, more or less conscious, of class interests. But this sense of class interests is neither particular nor exclusive. It is one which those who hold sincerely identify with the true interests of all men. The workers and their allies ask nothing for themselves, to paraphrase the words of Whitman, which they are not willing to grant to all other men upon equal terms. Other classes, in all times, have identified, with varying degrees of sincerity, their own interests with those of



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mankind: the manufacturers of eighty years ago saw in their brutal exploitation of labor the working out of a law of God for the best interests of the race, and the barons of feudal times were never disturbed in their conviction that villeinage was a beneficent thing for serf as well as for lord. But this sense of collective interests, as held by classes other than the producers of modern times, has almost invariably involved a conviction of the necessity and righteousness of exploiting *other* classes. Even the revolting peasants of past times were generally guided by no higher aim than that of exchanging places with their masters, and of exploiting in turn those who before had exploited them. Not until the rise of the modern proletariat has the fundamental conviction of any class expressed itself in a moral law equally applicable to all mankind. That law is the law of economic solidarity — a law growing out of the ethic of fellowship and the ethic of usefulness. It is the natural product of working-class life under modern working-class conditions; and though, with society organized as it now is, this law is distinctively a class expression of the workers against the exploiters and the idlers, it is also the expression of an altruistic ideal — of an



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ideal that embraces all the units of the race, under a revolutionized and reorganized society in which classes shall be no more.

The economic motive dominates, and the ideal is necessarily conditioned by this motive and its environment. Those rare men, not of the working class, in whom a passion for social justice prompts to altruistic endeavor, are unquestionably factors of moment in the social movement; but their power is but feeble as compared with that of the army of workmen guided by class feeling and impelled by class determination founded upon class needs. Society will never get to the point of organizing the industrial process merely from here and there an exceptionally idealistic or altruistic person arguing that it ought to be done. The pleas of the idealist will never overcome the determination of those in possession to retain the methods by which they gain wealth and hold it at the expense of other men. The economic motive is — for the mass of men — the strongest of all motives; and the economic environment determines the method by which that motive shall be expressed in action. Even the idealist himself is limited in the following out of his ideals by his economic necessities, and when these directly oppose the personal



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realization of his ideals, they are usually victorious. Though there are many individuals with whom ideals have great force, even controlling force, as against anything short of starvation, yet with most men the principal effect of ideals is to strengthen tendencies toward actions already unconsciously suggested by economic peril. The idealist may, by his exhortations, awaken the sub-conscious or half-conscious instinct of the demanding class into a full consciousness of its interests and needs. But not by the most fervent and eloquent appeals can he persuade any considerable part of the dominant and possessing class to forego their authority or renounce their possessions. Only a collective movement of a vast mass of the people, animated by the determination to get better conditions of life as a class, their purpose immensely heightened by the conviction of the righteousness of their demand, will bring society to undertake the task of industrial reorganization.

## IV

There is now emerging from the trading class a new group, small in numbers but mighty in power. By a stringent process of automatic



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selection from the personnel of a corporation engaged in the competitive struggle with rival corporations, the most effective men are, as a rule, brought to the front; and thus has been developed a breed of executives highly gifted with the faculty of organization. The faculty of organization means first, the seeing clearly of what the work is which has to be done; second, the perceiving into what functions the work must be divided in order to get it done most effectively; third, the knowing how to select the fittest man available for each function; and fourth, the knowing how to fit the motive to the function and the man — the motive which is just such and so much as will bring out the best there is in the man and in the function.

The individuals who have most of this faculty of organization have come into lifelong control of their respective corporations. Here and there one has completely succeeded in the warfare of competition, and having made his own corporation supreme has practically abolished competition in his own business. This feat achieved, the man cannot and does not cease to be an organizer. The faculty is active and rampant within him, and the man must find a new field for its activity. From being the perfect organizer of a corporation, he becomes the



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organizer of a union of corporations; from the completed task of eliminating the wastes of inefficiency, duplication, and cross-purposes within one establishment (a task undertaken primarily not for the sake of the economy itself, but for the sake of the better fighting machine thus created) he instinctively and unconsciously comes to make the economizing of waste a motive in itself; he perceives the immense wastes existing in some entire industry, and his mordant mind gives him no peace until he has attacked and solved the problem of so organizing that industry as to eliminate the wastes.

Within such a man is now awakened a mind which outruns the environment which awakened it. Starting in life as a fighting trader, he has now come partially under the dominion of the ethic of usefulness. Partially, only, for his motive is not the concrete welfare of the human beings concerned in the business he is remoulding; his motive is a certain ideal of order existing in his own mind. His ideal, however, contains the greatest possible efficiency in the turning out of the commodity made, and this is one part of the ethic of usefulness.

It seems likely that these men will go on organizing one business after another until they control all the corporate businesses. They



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must then begin to handle the varied industries in some sort of concert, and as one vast task. When this comes to pass they cannot escape the burden of the immense waste of potential human labor involved in the non-correlation of the industries, and the awful waste of possible human welfare involved in the merely mechanical form of relation between the corporations and their employees.

It cannot be pretended that the moral law of economic solidarity has taken any hold upon the mind of the great organizer. The labor union is distasteful to him; he sees in it an arrangement by which the weaker brother shares in the benefit of the greater productiveness of the stronger brother, and this arrangement seems to him to make distinctly against progress in efficiency. The fact that it makes for increase in the general welfare does not appeal to him, since his ideal for others as for himself, is not happiness, but efficiency. Nevertheless, the great organizer is a worker; his true affinity is with those who toil, and not with those who draw dividends; with his innate and passionate hate of waste he must sooner or later perceive that the mere capitalist and the mere money trader are themselves a waste and ought to be eliminated. He may, as in all like-



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lihood he will, achieve no further moral development than that of a great seigniorial mind, active and capable, efficient to organize and strong to execute; but the work which he does and will yet do is of incalculable value to the ultimate assertion of the producer type of social organization and the producer ideal of conduct and life. He is organizing and unifying the industrial system to a state wherein it can the more easily be taken over by society as a whole.

## V

Purely ethical attraction, as has before been said, cannot be relied upon to move men in the mass. The economic force dominates the ethical force. The great movements of the past which have seemed, to the apprehension of the people in them, to be based upon disinterested conscience, have generally, if not invariably, had a basis of economic pressure; and for all the wisest know, the law must continue to hold. Conscience is an essential factor in giving to the movement fervor, determination, and persistence; but this very conscience, far from being an intuitive moral sense or a faculty drawn down from the skies, is a thing ultimately founded upon economic needs. Its



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genesis is humble, and its development has come by gradual steps. First, the necessities of a great mass of men require a certain continuous course of action, or a body of relatively consistent actions; second, there springs up spontaneously in the minds of the mass the conviction that that course of action is right, and finally this conviction spreads beyond the limits of the original mass and permeates the more sympathetically disposed among the outsiders. But to whatever degree this conviction spreads, persuading or overthrowing the former class convictions of those who accept it, the base of the movement is, and must remain, the economic need of the demanding class.

Thus, since economic ends determine the movements of mankind, and since mankind is necessarily portioned into economic classes, it is manifest that class interest must be the backbone of the social movement. But it does not follow that class interest is to be its animating spirit. In the living body the bony structure is out of sight; the fair surface is what appears to the eye of others and to the consciousness of the creature itself. So, in the progressive social movement, class interest may be regarded as the structure. But it is not the sense of class interest which arouses moral



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enthusiasm. It inevitably associates men in efforts toward common aims; but it does not awaken in them that passionate fervor which makes for a regenerative movement. The true heart and spirit of the movement is the passion for social justice. And this passion is diffused throughout the great body of a class only when it sincerely and righteously identifies its interests with the interests of all men.

In the nature of things, seeing that under private capitalism class interest must dominate men's minds, it is impossible to win the support of any considerable number of the trading class (except those traders who are being pushed to the wall) to the present movement of the producers. The whole mass of the producers, joined by such auxiliaries from the other classes as from time to time may free themselves from the dominance of their present class feeling, must unite in the economic and political fields and overcome the opposing forces in order to realize their ideal. In support of this movement the farmers are summoned by their common producer interest and by their awakening producer consciousness to league themselves with the proletariat. A morally inevadable appeal lies also to the conscience and the heart of the social servant to follow his normal social



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instinct, and freeing himself from the pressure imposed by the traders, to merge himself in the same movement. From whatever class the individual comes, by allying himself with the producers and by accepting the producer ethics he becomes a part of that growing and unifying body, the social-minded mass, which, when it shall become wholly conscious of its mission, must present an irresistible front to the unsocial-minded classes.

From this junction of forces and this trial of strength must come the coöperative commonwealth. There are arguments that it cannot be, and that it should not be — arguments like those heard in all times against any change in social arrangements. They are all of a kind, in whatever guise they appear; and their underlying base is now, as ever, a justification of the claims of the cunning and the strong. When one reflects upon the great questions of life and destiny, the common origin, the identical fate, the essential brotherhood of man, he can find no sound basis for sustaining these rapacious claims. Placed here, as on a giant raft, moving along the tides of an infinite ocean, sped from an unknown port and ignorant of its final haven, the race has a common heritage and a common destiny. Gradually the huddling



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creatures on the raft become conscious of their powers; they erect shelters from the rain, the heat, and the cold, and they fashion clever tools for making articles of use and beauty. By design, say some; by immutable law, say others, this raft is amply provisioned for a multitude of souls and an indefinite voyage; only that in every generation the cunning and the strong take to themselves the greater share, to the deprivation of others; and their right to do so is ever sustained by a succession of ingenious pleas from the mouths of other men — themselves, for the most part, sharers in the plunder. But slowly among the victims arises a sense of the injustice, the chaos, and the waste of this practice; and more slowly, but still surely, the determination to be rid of it; to apportion, upon equitable terms, the common burdens, and to distribute, in equitable shares, the common hoard. That determination is the growing and expanding will of the producing classes, and its fulfilment will be the coöperative commonwealth.



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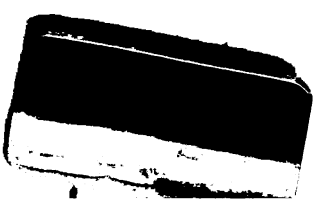

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